

Drugs, the U.S., and Khun Sa

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BURMA

Burma, at the heart of the Golden Triangle, continues to be the largest producer of illicit opium in the world. The major portion of the crop is produced in areas dominated by drug trafficking groups—most of them insurgents, but some not—who remain outside the effective control of the central government, the Socialist Republic of the Union of Burma (SRUB). Inaccessibility has hampered the government's ambitious eradication efforts and makes accurate estimates of production difficult.

At the end of the 1950s, all of Burma's borders were affected by the eruption of tribal insurrections, most particularly in the Kachin and Shan States, those states having retained a certain autonomy during the period of British rule. The Shan States were still governed by *sawbwas* (feudal princes), and the Kachin States by *duwas* (traditional chiefs). Under their administrations, the cultivation of opium was restricted. This is significant, since the main zones of poppy cultivation are situated within the Shan States, which constitutes the major part of the Golden Triangle, and in the Kachin State. In 1982, these areas produced 263,000 *viss* of opium (438 tons) and recent estimates put output at 534 tons for 1984 and 424 tons for 1985.

* A participant in the International Opium Convention at The Hague in 1912, Burma in 1912 implemented Article 295 of the convention with new legislation restricting the sale of opium. The Shan States, at that time administratively autonomous, were much affected by the new laws as the Shan State Opium Order of

1923 applied only to them. Until 1964, they were allowed to cultivate, sell, and consume opium in the territories east of the Salween river, where opium culture was more than two centuries old. The Burmese Government issued licenses to certain shops in the western territories to market a certain quantity of opium, the amount being determined by the number of registered opium smokers, each of whom was entitled to two viss (3.2 kilograms) a year. Throughout the rest of Burma, the use of opium for medical purposes was prohibited.

In 1961, the Frontier Areas Administration (FAA) was established to administer those areas of the Shan States which had not previously been subject to Burmese legislation. The FAA has jurisdiction over the Kokang and Wa States (the latter divided into the Northern Wa State and the Southern Wa State) and also of the Eastern Frontier Region, comprising the districts of Kengtung, Tachileik, and Mong Ton. The area of the Shan States to the east of the Salween is characterized by rugged, sparsely populated land with no roads other than mule tracks. In the Kokang and Wa States, the difficulties presented by the terrain are accentuated by a harsh climate and a chronic lack of public administration. In addition to these problems, the agricultural production of impoverished hilltribes remain in a state of deficit for seven months of the year. The opium poppy is the main crop and covers 90 percent of the cultivated land surface. The hilltribe people depend on opium as a cash crop since their low rice yield barely feeds them, let alone enabling them to purchase basic necessities. However, the return on their labor is a mere pittance as compared with the profits accruing to the rebels and the Chinese traffickers. At the end of World War II, the production of opium in the Shan States was nearing the 40 ton per annum mark. In 1982, it reached

156,000 viss (260 tons), consisting of 105,000 viss (175 tons) from the Kokang and Wa States, 33,000 viss (55 tons) from the Eastern Frontier Region, and 18,000 viss (30 tons) from the western Salween area.

The conditions prevailing in the Kachin State were very different from those in the Shan States. Until 1945, poppy cultivation was undertaken only in the hills of the Hukawng Valley, where it had been introduced from India two centuries before, and in the Triangle region in the far north of Kachin State which produced opium of a much poorer quality and on a smaller scale. At the beginning of the 1960s, the Shan and Kachin States increased illegal opium trafficking. However, the morphine content of the opium produced in the Hukawng Valley was insignificant, falling short of the international standard demanded by the drug trade. The extraction methods used in the valley were very primitive: the coagulated opiate sap being collected from incisions in the capsules with a cloth which was then soaked in a container of lukewarm water where the opiate sap separated from the cloth and settled to the bottom of the vessel.

The escalation of insurrections in the early 1960s led to an increase in opium production in the Kachin State. Geographical isolation, ethnic complexity, and poverty played the same role here as in the Shan States. FAA prerogatives were extended to the Putao and Laukhaung Districts in order to bring the Triangle region on the Chinese border under FAA control. These areas supply the greatest quantity of opium, which, though inferior in quality to that of the Shan States still has a higher concentration of morphine than the opium produced in Hukawng Valley. Poppy cultivation and the consumption of opium have been illegal in Kachin State since 1946, except for a certain amount of product

tion for members of the hilltribes who until 1963 were permitted to possess a small quantity of the drug. In 1982, the total production of Kachin State rose to 178 tons. Two-thirds originated from the southern part of the Kachin State (from Palaung region) and from the northern border of the Shan State which has a large Kachin population.

Since 1965, poppy cultivation and the consumption and trading of opium have been prohibited by law throughout Burma. However, the underdeveloped conditions, isolation, rebellion, and continual amendments to Burmese laws regarding opium have made it impossible to enforce the law. Furthermore, there is some doubt as to whether Burmese leaders even wish to do so.

It is estimated that between 92,800 and 124,000 hectares were devoted to opium poppy cultivation in 1988, yielding a production potential of between 1,020 and 1,365 metric tons of opium before eradication. Depressed economic conditions, efforts of the Burma Communist Party (BCP) to increase cultivation and centralize control of its areas, and excellent opium-growing weather all contributed to an increase in production. There are also indications that concentrations are not in the areas previously believed to be heavily planted, such as Taunggyi, where yields are higher and stand less risk of destruction by the government.

While most cultivation occurs in areas under control of the BCP, Khun Sa's Shan United Army (SUA) still maintains control of the Thai-Burma border areas where the bulk of the refining is located. An estimated 80 to 85 percent of the refined opium leaving Burma crosses into Thailand. Other routes, to India and other countries to the south, account for the balance of the

exported drugs and involve other insurgent groups, such as the Kachin Independence Army (KIA), the Wa National Organization (WNO), and the Shan State Army-North (SSA-N). Sino-Thai traffickers purchase the major portion of drugs moving across the Thai border while Indian traffickers are the major buyers on the Burma-Indian border.

Illicit narcotics leave Burma as raw opium, pizun (impure morphine base), morphine base, impure heroin base, and No. 4 heroin. It is estimated that 31 to 35 metric tons of opium from the 1986-87 crops were processed in refineries. Of this amount, an estimated 13 to 15 metric tons was refined in the northeastern Shan State refineries and 18 to 20 metric tons in the Thai-Burma border refineries. Of the remaining production, approximately 25 metric tons of raw opium moved out of Burma through Thailand, while 40 to 50 metric tons of opium reached China, India, Bangladesh, or even further afield as international sea shipments.

Continued challenges by groups of traffickers and insurgents competing with the Shan United Army for domination of the Burma-Thai border areas have begun to undercut the artificially high prices established by the SUA for refined narcotics. A kilo of heroin cost as little as \$3,300 in late 1987 as compared to \$5,768 a year earlier.

All of the insurgent groups in Burma have diverse origins. The BCP started as ideological revolutionaries but have become deeply involved in drug trafficking in recent years. Some of the groups are ethnic, such as the Karen, Kachin, Lahu, and Wa. Others are profit-seeking warlord smugglers, like Chang Chi-fu (a.k.a. Khun Sa) of the SUA. Several of the trafficking groups, such as the Third and Fifth Chinese Irregular Forces (CIF),

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remnants of the Kuomintang (KMT), have ties with business and local officials in neighboring countries. None of the is viewed as a present threat to the stability of the central government, but they do dominate the border regions and represent a constant drain on Burma's limited material and human resources.

The Burmese government views narcotics producing organizations as a threat to national security and remains committed to eliminating illicit narcotics production and trafficking. Burmese have continued their determined efforts to cope with narcotics-insurgency problem year around at a heavy financial and human cost. SRUB losses in actions against traffickers and insurgents have averaged approximately 100 men per month killed in action.

The 1987 poppy eradication campaign was initiated in eastern Shan State in December 1986 and shifted to the northern Shan State in January 1987. The SRUB reported a total destruction of 16,000 hectares despite an early cessation of spraying order to respond to a major BCP offensive in the northern Shan State. The reported destruction included 9,160 hectares by aerial spraying and 7,120 hectares by manual eradication. Major Burmese Army (BA) operations included:

Seizure of a major heroin refinery at Pang Hsai during January counter-offensive.

During an eight day operation in February, BA units captured and destroyed four SUA refinery sites in Mong Hsat township in the eastern Shan State. For the first time, army units established permanent garrisons at the sites.

Continued pressure by army units caused disruption to caravan movements in the Shan State. Clashes with traffickers resulted in seizures of drugs and precursor chemicals.

The Burma Army launched and sustained a counter-offensive against the BCP and has occupied areas long outside of government control which have been prime poppy growing areas.

The special narcotics task force units of the People's Police Force (PPF) contributed to major seizures of drugs and precursor chemicals. Major cases included:

In January, the PPF drug task force in Lashio seized 21 kilograms of heroin. In Mandalay, 190 gallons of acetic anhydride were seized from a river boat.

Combined efforts of the PPF Mandalay drug task force and the Taunggyi task force resulted in the seizure of 140 gallons of acetic anhydride in Meiktila in February.

Rangoon police seized 1,800 gallons of acetic acid of Chinese origin from a ship in the Rangoon River. Acetic acid is used in border refineries to produce acetic anhydride.

Sustained actions by the Burma Army and the People's Police Force throughout the year led to significant seizures. Through November 1987, incomplete reports show the seizure of 1,340 kilograms of opium, 54.3 kilograms of heroin No. 4, 292 gallons of acetic anhydride, 3,116 gallons of glacial acetic acid and large quantities of various other chemicals as well as refining paraphernalia.

The SRUB's Central Committee for Drug Abuse Control has approved the initiation of an aerial survey of poppy growing areas in Burma, a major step forward in estimating production baselines.

The SRUB has developed a five year plan which emphasizes action limiting and reducing opium production, preventing the movement of narcotics from producing areas to processing centers and foreign markets, striking at processing centers and

trafficking organizations, finding alternate income for growing and reducing Burma's domestic demand for narcotics. The primary focus is to eliminate opium production in those areas under government control and to launch major military operations into insurgent areas in order to disrupt production and as much as possible.

With two years' of experience in aerial eradication operations behind them, the Burmese have set a minimum goal of destruction of 20,235 hectares of opium poppies during the 1988 season.

Burma's Narcotic and Dangerous Drug Act of 1974, amended in 1983, provides stiff penalties and legal sanctions against every aspect of narcotics production, processing, trafficking, and money-laundering country, there is currently no need for new legislation.

Because of the insurgencies and the scope of the problem, Burmese enforcement agencies have had limited success implementing the various provisions of the narcotic law. While offenders are apprehended and convicted, however, Burmese courts often impose severe sentences, having since 1986 handed down eight death sentences for trafficking. The cases are under appeal and no executions as yet have been carried out.

In addition, the Burmese government has established a system of rewards for information leading to the arrest and conviction of narcotics users and traffickers or seizures of narcotic drugs. There are no legal uses of heroin in medical treatment or scientific research in Burma.

Burmese anti-narcotics efforts are coordinated by the Central Committee for Drug Abuse Control (CCDAC). The CCDAC is chaired by the Minister of Home and Religious Affairs, with the Deputy Minister serving as Secretary. Deputy Ministers from six other ministries and the heads of various sub-committees are represented. The CCDAC establishes policy and coordinates anti-narcotics activities throughout the country.

The principal enforcement agencies of the Burmese government are the People's Police Force (PPF), the Burma Army (BA), and the Burma Air Force (BAF). Subsidiary agencies include the National Intelligence Bureau (NIB), the Directorate of Defense Services Intelligence (DDSI), the Bureau of Special Investigations, the Customs Service, the security and investigative arms of the Burma Socialist Program Party, and local People's Councils. Narcotics related corruption remains a problem at the local level in Burma, but the SRUB is acting to suppress it.

There are no narcotics control officials from other countries stationed in Burma. Narcotics attaches based in neighboring countries periodically visit Burma to consult with SRUB officials. The United Nations Fund for Drug Abuse Control (UNFDAC) has a representative assigned to manage its own programs.

Anti-narcotics techniques are included in the basic training given by the People's Police Force. U.S. training has been provided to command-level officers in the past ten years, and the improvement noted in police narcotics investigations suggests that the training is paying dividends. The SRUB recognizes that there is an urgent and continuing need for drug enforcement training to enhance the capabilities of the PPF in the performance of its basic task.

The U.S. International Military Education and Training (IMET) program provided over \$80,000 in FY 1987 for counter-narcotics aviation training to Burma. In addition, at Burma's request, the U.S. has provided information on U.S. Coast Guard anti-smuggling training. Many of the regular IMET program courses requested have counter-narcotics implications, including courses for U.S. Army Special Forces officers, Rangers, and infantry officers.

Preventive education is carried out by both the Ministry of Education and the Ministry of Information. The Ministry of Health is responsible for treatment of drug abusers and detoxification. The Ministry of Social Welfare is primarily responsible for the drug rehabilitation program, although a number of other ministries have contributed resources to rehabilitation centers.

The Ministry of Health supervises 26 treatment and detoxification centers throughout Burma with a combined capacity of 730 beds; heroin addicts are provided with a combined capacity of 10 weeks of detoxification treatment. The estimated annual capacity of detoxification is 3,500 to 4,000 addicts.

The Burmese believe the overall addiction rate has stabilized and that heroin addiction has declined. Addicts are required by law to register, and, after registration, to undergo compulsory treatment and rehabilitation. As of late 1987, according to the Ministry of Health, there were 47,233 registered addicts, including 9,253 heroin addicts, 32,939 opium addicts, and 5,041 people addicted to other drugs including marijuana and synthetic drugs (a major problem for health authorities is the growing abuse of polydrugs in combination with alcohol). However, some observers estimate that the total number of addicts actually may be three

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times higher than the number of registered addicts.

It is impossible to accurately estimate the amount of illicit narcotics consumed domestically, but commonly accepted estimates put the figure at one kilogram of opium, or its refined equivalent, per addict per year. Assuming 120,000 narcotics addicts, consumption would total 120,000 kilograms of opium per year. However, substantial usage by hilltribes could account for large quantities of the estimated annual crop which have not been accounted for. The hilltribe population is estimated at 6 million, an undetermined proportion of which live in proximity to opium cultivation.

Opium is cultivated in tens of thousands of small fields, primarily in northern and eastern Burma, dispersed across an area roughly the size of Louisiana or Portugal. The principal cultivation regions are in the Shan and Karen States, although some opium is grown in areas of the Kayah State, the Karen State, the Mandalay Division, and the Chin State. Opium has long been grown by the hilltribes, but the current high level of production can be directly attributed to the increased involvement of various insurgent groups seeking to support their activities through the international drug trade.

Most refining locations remain near the Burma-Thai border, but increased refining activity has been documented in areas away from the border under the control of the Burma Communist Party (BCP), the Shan United Army (SUA), and the Kachin Independence Army (KIA). In the growing areas, narcotics are a major part of the local economy. Farmers grow opium poppy as a principal cash crop to supplement subsistence food crops and income, or in response to coercion by insurgent groups. In the cultivation areas controlled by the BCP, there are numerous

reports of farmers being forced to grow opium at the expense of not growing food crops.

The Shan Plateau is the principal poppy growing area in Burma. It is mountainous throughout, with some peaks extending to over 2,500 meters (8,200 feet). The poppy fields range from 0.1 to 4.0 hectares, with an average size of 0.5 hectare. The fields are located in nearly inaccessible areas, but often clustered near villages. The opium growing season extends from September to March.

Burma's climate is tropical and is dominated by two continental monsoons, the southwest monsoon bringing the rainy season, which extends from June to October. During this period the Shan Plateau receives approximately 90 per cent of its annual 80 inch rainfall. Except for years of drought, the climate and terrain are as good as any in the world for poppy cultivation. A few roads extending into these remote and rugged areas are primitive, and the Burmese government has little or no political administrative, military, or enforcement presence in most of the opium production areas.

At this time, the government has no programs to entice farmers away from growing poppy as their major cash crop. If SRUB would be unable to institute substitute crop programs in these areas because of the lack of roads and transport, a significant further reduction in illicit drug production will depend on the implementation of a full-scale aerial eradication program throughout the Shan controlled territory. As the SRUB even greater impact on the crop in 1989. Increasingly effective efforts of the SRUB in eradication, interdiction, and anti-refinery operations are major factors inhibiting narcotics traffickers.

The Producers

DRUG PRODUCTION IN BURMA, 1987-1988¹

	1986-87	1987-88
OPIMUM		
Cultivated (ha)	92,760~124,360	91,000
Eradicated (ha)	16,280	21,000
Harvested (ha)	76,500~108,560	70,000
Yield (mt) ²	925~1,230	700
Loss factor (mt)	25	77
Consumed (mt)	300	300
Seized (mt)	1.34	2
Exported (mt)	75	75
Stored (mt) ³	50	50
Available to refine (mt)	375~680	266

HEROIN AND OTHER DERIVATIVES

Produced (mt)	32.60	26.60
Seized in country (mt)	.54	.20
Consumed in country (mt)	.90	.90
Exported to USA (mt)	1.00	1.00
Exported elsewhere (mt)	65.00	25.00

- ¹ Need source
- ² Opium yield is based on a factor of 13 kilograms per hectare.
- ³ Storage estimates should not be construed to mean large stockpiles held by traffickers, but rather individual holdings by growers.

Drugs, the U.S., and Khmer **ANCILLARY DATA ON DRUGS IN BURMA¹**

	1984	1985	1986	1987
OPIMUM				
Gross cultivation (ha)	65,000	70,080	144,600	08,000
Potential Prod. (mt)	630	490	1,245	1,190
Eradicated (ha)	4,500	9,550	13,600	16,280
Net cultivation (ha)	62,500	61,450	131,000	92,300
Net production (mt)	535	350	1,130	1,010
REFINING²				
Heroin (mt)	10	n/a	25	30
SEIZURES				
Opium (mt)	1.64	2.01	1.45	1.34
Heroin (mt)	0.27	0.89	0.13	0.54
ARRESTS				
Nationals	3,724	4,276	4,491	4,916
Foreigners	—	—	2	—
Heroin labs destroyed	6	6	4	5
DOMESTIC CONSUMPTION				
Opium (mt)	200	200~300	200~300	200~300
Heroin (mt)	.8	.8	.8	.9
USERS/ADDICTS				
Opium	—	—	—	—
Heroin	—	—	—	—

¹ Estimates have been derived from Socialist Republic of the Union Burma reports and all other available sources.
² Estimates shown for refined narcotics are in the for heroin base, or morphine base.

The Producers

There are signs that some farmers have abandoned poppy cultivation after having their crops destroyed by aerial spraying in 1987.

The SRUB has set a goal for a minimum destruction of 20,235 hectares of poppy in the 1988-89 season, equivalent to some 180 metric tons of opium. Through aerial eradication and the increased activities of the People's Police Force and Burma Army, significant reduction in the production of opium in Burma can be expected over the long term. However, until the SRUB gains control of the major growing areas, which are now in the hands of the insurgents and eliminates opium production, any progress must depend on the energetic pursuit of the aerial eradication program.

The following figures are from a combination of official SRUB reports and a variety of U.S. sources. Accurate estimates are difficult since 60 to 70 per cent of the cultivation lies in insurgent-controlled areas. SRUB estimates are only for areas under government control. The SRUB estimated the 1987 crop at approximately 28,330 hectares, and assumed an average yield of 10.8 kilograms per hectare, thus yielding a total production of 305.96 metric tons of opium.

AMOUNT OF INTERNATIONAL SUPPORT REQUIRED

The United States has assisted the SRUB to sustain eradication efforts and to raise the cost of doing business to the traffickers, primarily by improving the air transportation, communications, and investigative capabilities of the Burmese police and military. The aerial eradication program now gives the Burmese a means of reaching otherwise inaccessible poppy plantations.

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The SRUB has received grant assistance from Australia, the Federal Republic of Germany. The Germans have provided some training grants and recently funded equipment for additional police narcotics task force. The Australian purchased vehicles for the police in 1985.

The United Nations Fund for Drug Abuse Control (UNFDC) is currently operating under its third five-year program (Phase III) which is funded at \$10,539,509 (1986-1991). The Burmese commitment to the five-year program is 95,520,000 Kyat, approximately \$13,500,000. The program assists in law enforcement, crop substitution, rural development (including livestock breeding), medical treatment of addicts, rehabilitation, preventive education, and public information. UNFDC is seeking additional donors for a possible expansion of the farm-to-market road project included in the Phase III plan.

Burma is a major heroin producing center. Several drug warlords control border areas and little is, or can be, done to actually dislodge them. Many traffickers pay huge sums of 'protection money' to government officials, thereby receiving information of impending raids; such warnings allow them time to prepare to fight or, more often, time to escape.

All warlords have sizable 'armies' and fight any and all efforts to dislodge them. Some warlords are involved in cross-border trade with Thai merchants in goods such as jade, gems, buffaloes, etc. They are paid for this protection. Most have negotiated agreements all over the world and unmolested pass swiftly and unimpeded. Unconfirmed rumors in September of 1988 with

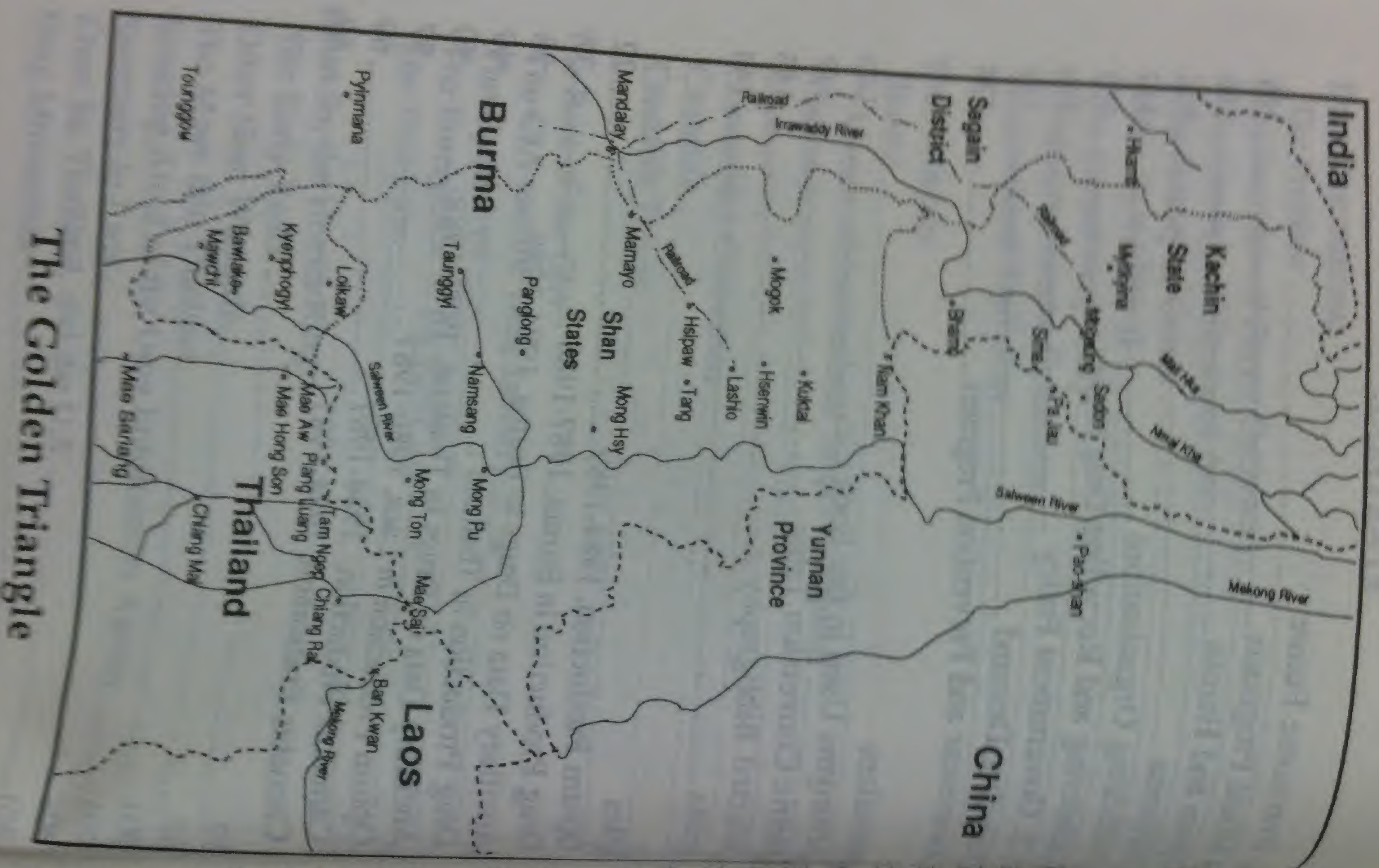
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allowing his 6,000 to 8,000 armed followers free rein in the drug trade in exchange for his support against communists and a guarantee of safe passage for teak which Rangoon is selling to Thailand in a desperate bid for foreign currency. Senior sources in the Thailand Border Patrol Police confirm some accommodations have been reached between Khun Sa and Rangoon, with trade in teak being a consideration. But the same sources also note that the Burmese military's tight finances limit the number of opponents it can tackle simultaneously, so the military have opted to move against the BCP and the strong Karen rebels rather than Khun Sa's drug army. Khun Sa now has working agreements with two governments that allow him considerable latitude, a development that bodes ill for the free world and the suppression of drug production.

Senator Daniel P. Moynihan noted in 1988 that a U.S. Government Accounting Office report suggests "... that the U.S. eradication program has had no effect on stopping opium production in Burma." A second GAO report is to be issued in 1989.

THAILAND

Both opium and marijuana are cultivated in Thailand. Domestically produced opium is consumed largely incountry, mostly by the hilltribes addicts. Some locally grown opium is known to be converted into heroin in laboratories, both within and outside Thailand. Most Golden Triangle morphine and heroin is produced from Burmese opium in laboratories in Burma near the Thai border. Although some heroin is refined in Thailand. Because of Thailand's principal role in the international



The Golden Triangle

DRUGS INTERNATIONAL

THE PROBLEM

In most human bodies, heroin produces a sense of well-being, warmth, and euphoria, although a significant number of first-time users complain of depression, nausea, or tachycardia. In every instance, repeated use produces an addiction characterized by an overwhelming psychological and physiological craving. The only way to overcome the all-consuming craving is either by extraordinary willpower and the grit to withstand severe physical pain, or by taking more heroin. Because few addicts are able to apply the first method, there is a steady and dependable market for the drug. The sellers may at their whim raise the price, dilute the potency, or even temporarily reduce supply, without affecting the volume of their trade.

A trafficker could make his customers leap through flaming hoops or slaver like Pavlov's dogs. Degradation is the way of heroin addiction.

The inhabitants of the earth spend more money on illegal drugs than they spend on food ... more than they spend on housing, clothes, education, medical care, or any other product or service. The international narcotics industry is the largest growth industry in the world with annual revenues exceeding half a trillion dollars—three times the value of all United States currency in circulation and more than the gross national product of all but a half dozen of the major industrialized nations. To imagine the immensity of such wealth, consider this: a million dollars in gold weighs as much as a large man. A trillion dollars would weigh more than the entire population of Washington, DC.

Narcotics profits secretly stockpiled in countries comparable for the business draw interest exceeding \$3 million per hour. What use will this money eventually be put? What will be the ultimate effect? Though everyone knows that narcotics is big business, its truly staggering dimensions have never been fully publicized. But the statistics on which the above statements are based are undoubtedly reasonable, appearing in classified documents prepared with the participation of the Central Intelligence Agency and the National Security Agency. These studies are circulated in numbered copies with the warnings of "criminal sanctions" for unauthorized disclosure. Why is this information withheld from public view?

The international narcotics industry is, in fact, not an industry at all, but an empire. Sovereign, proud, expansionist, this 'Underground Empire', though frequently torn by internal strife, never fails to present a solid front to the world at large. It has today become as ruthlessly acquisitive and exploitative as any nineteenth-century imperial power, as far-reaching as the British Empire, as determinedly cohesive as the young states of the American republic. Aggressive and violent by nature, the Underground Empire (as James Mills calls it in his book of the same name) maintains its own armies, diplomats, intelligence services, banks, merchant fleets, and airlines. It seeks to extend its dominance by any means from clandestine subversion to open warfare. Nations suffering from illicit drugs attempt to open war-traffic routes within their own borders but they effectively ignore the international aspects of the problem. The United States government, while launching cosmetic 'wars' against drugs and crimes, has rarely attacked the Empire abroad, has never substantially diminished its international power, and does not today

Drugs International

seriously challenge its growing threat to world stability.

Drugs are the greatest scourge of mankind today. And they can no longer be controlled—only abolished. Rightly concerned governments around the world spend billions of tax dollars each year in a vain attempt to combat this global plague, but the menace continues to grow at an alarming rate. And for every new tactic that governments come up with, drug kingpins find a counter-play and business continues with ever-increasing profits. Millions of people in today's society suffer from the agony of addiction, and this affliction in turn, leads to crime, causing the whole world to suffer unnecessarily because of the greed of producers and distributors—and there is no end in sight. We are at a crossroads, and if we do not design some more effectual means of combating this malady, our world, as we now know it, is doomed. We have had our last chance. Time is running out!

Shortly before Colombian cocaine drug kingpin, Carlos Lehder Rivas was captured and sentenced to prison, he had stridently warned the United States that he would destroy it from within through the means of cocaine. And indeed, the syringe is mightier than the sword. Cocaine floods the streets of major cities in both the United States and Europe. 'Crack', a new and cheaper synthetic substance, finds its way into schools where it is pushed by twelve-year-old children. Heroin, which until recently has been produced chiefly in the Middle and Far East but is now also a rapidly expanding commodity in Mexico, has been around for centuries. More than a hundred years ago, the British aggrandized the industry by forcibly trading opium from India to China in exchange for goods and cash.

The CIA, like the British, was able to recognize a money-making commodity when it saw it, and amplified the production

of opium during the Vietnam War to fund their covert operations around the world. And so today, like the millions of Chinese who became opium addicts because of the British, huge segments of the world's population suffer the agony of addiction because of CIA support to the Hmongs in growing and refining the addictive narcotic, while increasing segments of society suffer the crime perpetrated by the addicts—and all because of the greed of drug barons. Unfortunately, there is no end in sight.

AN OVERVIEW OF POPPY CULTIVATION

In the rainy season, the highlands of northern Laos, Burma and Thailand are draped in mile-high clouds and drifting mist and the hills recall Chinese ink paintings rendered in feathery brush strokes on rice paper. Rugged ridge lines, cut by fantastically jagged peaks, wind in parallel lines like contours on a topographic map. Erosion has gouged caves and craters out of the porous limestone bedrock, breaking it down into friable soil. The opium poppy, a fastidious plant that demands sweet soil and a temperate climate at least three thousand feet above sea level, finds the northern parts of these three countries a most salubrious home.

Poppy farming is a labor-intensive, year-round endeavor that begins in March or April, when the growers begin clearing new fields by chopping down saplings and brush with axes and saws. For larger trees, a feller balances on a thin, notched pole propped twenty feet up the trunk, where he cuts away the top of the tree. When cut precisely, the falling tree top will take out a number of smaller trees.

The soil is left dry for a month and is then burned off,

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blanketing the plot with ashes rich in phosphate, calcium, potassium, and other fertilizing nutrients. If the land is left fallow, these minerals will be leached out during the rains, but since the most common food crop—dryland rice—does not mature until November (two months after poppies must be planted), another faster growing cover crop must be planted. Most cultivators plant a hearty mountain corn that keeps the soil free of weeds, provides fodder for domestic animals, and matures by August.

At the beginning of September, the soil is turned and chopped fine with a heavy hoe and smoothed with bamboo brooms. The tiny poppy seeds are then sown by broadcasting. The seeds are a rainbow of color, coming in whites and blues and yellows and blacks, and those not planted are ground for cooking oil. These are the same edible seeds that garnish bagels and kaiser rolls, and of the more than fifty varieties of poppies, only the *Papaver somniferum* produces them. However, because poppy sap loses its potency before the plant goes to seed, diners who enjoy bread with a meal are spared the embarrassment of nodding off during the dessert course.

In November, the seedlings are thinned to six inches apart. Tobacco, beans, and spinach are planted among them, adding nutrients to the soil and supplementing the villager's diet. In late December the poppies are thinned a second time, and the leaves that fringe the base of the uprooted shoots are eaten as salad greens. The vegetables interplanted with the poppies mature in January.

Poppies bloom in February. Their flowers—bright red or pink, white or blue, or even mauve—are shaped something like a tulip and sits atop a rigid, reed-straight, pale-green stem the thickness of a pencil. The flower's perfume is unsubtle and, to

some people, malodorous.

As the plant reaches full maturity, the petals drop away and expose the pod, a bluish-green bulb about the size of a golf ball and crowned with tiny petals. To extract the fraction of a gram of fluid contained within, the bulb is tapped in the same manner as a Vermont sugar maple or a Malaysian rubber tree. Choosing precisely the correct night on which to cut the pods requires experience and a cultivator's savvy. Cut too soon, and the sap will be runny and dribble to the ground where it is lost; cut too late, and the alkaloid in the sap will have become codeine, only one-sixth as potent as morphine.

In the cool of a late afternoon, the grower cups the bulb in one hand and, with a three-bladed knife shaped like a garden trowel in the other, incises shallow, parallel longitudinal slits exactly three-quarters of the way around the pod. Early the next morning, before the sun dries the sap, a gatherer, traditionally a woman, scrapes the surface of the bulb with a flexible rectangular blade, collecting the resin which has oozed from the slits during the night and depositing it in a small copper cup hanging from her belt.

The newly cut pod emits narcotic fumes so potent that babies riding on their mothers' backs during harvest have died in their sleep of drug overdoses. Consequently, children are not allowed to help with the harvest until they are tall enough to breathe above the fumes.

Some mountain people chew the dark and sticky sap, biting off hunks as one might do with a chew of tobacco. Raw opium tastes like licorice, and is the best local treatment for the symptoms of dysentery.

When the harvest is complete, the opium is shaped into one

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kilogram bricks, wrapped in banana leaves, and tied with string. Each family with a share in the crop places a small brick of opium in the center of the exhausted field as a propitiatory offering to the resident *phi* (spirit). Hereafter, no one is allowed in the field for fifteen days, so that the *phi* can smoke the gift in tranquility.

The bricks of crude opium are stowed in wicker containers for the pack-trip out of the highlands. Every couple of weeks during the growing season, an opium broker visits the village. He burns a pinch on a piece of foil, watching the color and intensity of the flame to judge the morphine content. Depending on the quality, a kilo brings between forty to sixty dollars to the grower.

Further down the mountain in a crude jungle compound, the opium will be reduced to morphine nuggets. Later, in laboratories in Beirut, Rome, Brussels, Amsterdam, Madrid, and Zurich or a dozen other places in France and Turkey, the morphine will complete its metamorphosis into heroin. More and more opium, however, is now being processed directly into heroin in labs in Thailand and Laos before shipment to the West.

THE GROWERS OF SOUTHEAST ASIA

"The Golden Triangle" is the name which has long been given to an area covering approximately 225,000 square kilometers, including the Shan Hills of northeastern Burma, some mountain crests of northern Thailand, and a high plateau in Laos. Much of this mountainous region, interrupted by deep valleys and covered in dense primary jungle, is virtually impenetrable. The majority of inhabitants are the Thai, Shan, and Lao, all of whom belong to the same Sino-Tibetan ethno-linguistic family. A large number of ethnic minorities of Sino-Tibetan or Tibeto-

Burman Mongoloid type have settled there as well, the common being the Meo, Akha, Lisu, Lahu, and Chinese emigrants from Yunnan. These semi-nomadic hilltribes live in villages perched high up on mountain ridges, which are accessible only by footpaths barely wide enough for the passage of mule caravans.

The living conditions of these economically underdeveloped populations leave much to be desired. The hilltribes are poor and use the ancient slash-and-burn method of cultivation, which, in the absence of fertilizers, accelerates topsoil erosion. Most of them cultivate and sell raw opium as their sole source of income. This enables them to purchase basic necessities and black market weapons (although communist control over Indochina has reduced arms trafficking in the area, except for neighboring Thailand which does a landslide business in weapons). A portion of the opium produced is consumed by the hilltribesmen themselves. The balance is bought by drug traffickers, mainly Chinese Haws, who live on the mountain slopes and fulfill the classic role of middleman between the Chinese in the towns and the hilltribe people. The Haws barter, they exchange opium for essentials like salt, sugar, fabric, and light industrial products, such as flashlights and watches. The locals buy these products, run up debts and then have to plant more poppy to produce even greater quantities of opium.

The lack of information from the inaccessible areas where the hilltribe people cultivate the opium poppy, makes it difficult to evaluate the role of opium in their social lives. The few annual communiqués available, announcing the destruction of crops of heroin refineries cannot often be verified as these sources are unreliable. One important fact, however, is clear: far from being

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at the root of insurgencies, drug trafficking merely provides the means by which the insurgents can secure a living.

Cultivation of the opium poppy in Thailand has been illegal since 1958. Furthermore, the United States has been putting constant pressure on both the Thai and Burmese Governments to intensify their campaigns against drug trafficking for a ten full years; to achieve this end, the United States has granted substantial financial, economic, and military aid for this purpose. In addition, action is being taken against clandestine heroin refineries on the Thai-Burmese frontier, and the authorities are increasing their efforts to cut drug chains, for which Bangkok, Singapore, and Hong Kong serve as staging posts.

THE HISTORY OF OPIUM

Opium has been in Asia for a long time, being introduced to both India and China around the seventh century by Arab traders. At that time, harvests were small and India was the main producer for the international market. From the Mogul era onward, several Indian rulers imposed an export tax on the sale of opium in order to boost national income. When the British arrived in India, they were keen to discover reliable sources of revenue and consequently encouraged the export of opium, especially to China. The 'Black Mud' soon dominated China trade, the British East India Company (which had been granted a trading concession in Canton) having discovered that the sale of opium miraculously balanced the trade deficit between China and the Company. At the end of the second Anglo-Chinese war (1856-58), the defeated Chinese signed a trade agreement which ushered in a period of almost 50 years during which both the cultivation and import of

opium were legal in China. By 1886, when London imposed restrictive measures on the opium trade, British merchants were selling almost 6,500 tons a year to China, which had 15,000,000 opium addicts. Had China not begun to cultivate its own opium on a grand scale, imports would have necessarily been even higher.

The mountainous provinces of Szechuan and Yunnan in China were both perfectly suited to poppy cultivation, and the revenue thus procured eventually constituted the main portion of those provinces' income. By 1875, one-third of the arable land on the surface of Yunnan was covered in poppies. At that time there was no clear border separating Burma and Laos, both of which were contiguous with Yunnan Province. The fragmented population was composed of a variety of different groups, including ethnic Chinese and a host of hilltribes. (It is unclear exactly when the tribes along the Yunnan border began to cultivate the opium poppy, but production became significant only after World War II.) In 1906, the House of Commons in London declared the opium trade to be immoral; and, at about the same time, the Chinese Government began a campaign to abolish the drug, so that production was dramatically reduced. Consequently, China saw an increased demand for Burmese opium and a subsequent increase in contraband from Burma passed through Yunnan. Some of the smuggled opium was sold by the Yunnan Government to the French monopoly in Indochina. At the same time the government began to be illegally cultivated by the Meo and Nung tribes living in China's Guangxi and Tonkin Provinces.

In 1916, the Yunnanese authorities permitted the sale of opium in order to boost their treasury. From 1918 on, they openly promoted poppy cultivation—a possible only because

The central authority in Peking was in decline and many independent warlords needed to finance their armies, hence, Yunnanese opium boosted opium trafficking in Southeast Asia. Large caravans would leave Yunnan to enter the north of Burma, Thailand, and Tonkin. The somniferous poppy was introduced into the Golden Triangle region by Yunnanese traders and by migratory hilltribes using high-yielding methods of cultivation. Throughout the nineteenth century, the Meo and Yao tribes fled southern China, having been subjected to relentless persecution, and spread to Indochina, bringing with them their expertise in poppy cultivation. However, there was no large-scale production in the Triangle region before the 1940s since Burma (then under British rule), Siam, and French Indochina all deterred the hilltribes from cultivating poppies—largely in order to preserve their own monopolies. The sale of high quality opium to addicts was preferred since it was more lucrative than marketing inferior goods. During World War II, French Indochina was occupied by the Japanese, encouraging the Meo in Laos and Tonkin to develop their production. After the war, large numbers of Meo and Yao moved into Thailand and from Laos, while the Akha, Lisu, and Lahu tribes crease in contraband from Burma arrived via Burma.

Demand in the West increased rapidly at the beginning of the twentieth century, when diacetyl morphine was recommended by German chemists to treat certain complaints. Bayer, the pharmaceutical company, called this diacetyl morphine "Heroin" and produced it industrially, distributing it in small boxes with a lion and a globe on the label. Laotian traffickers copied the trademark and marketed their own product which they called "Double U-O Globe". The sale of diacetyl morphine was banned by the Geneva Convention in 1925, when its dangers were

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recognized, but nonetheless during the 1920s the production of opium derivatives had escalated for export. Morphine and heroin, now illegal in Europe, could be legally exported to China in large quantities. China became one of the world's main heroin consumers and the drug first appeared in Hong Kong in 1917. Number 3 heroin. It was smoked and looked like semi-refined brown sugar, hence its nickname "brown sugar". It is distinct from Number 4, which is the fine white powder that appeared much later.

AFTER WORLD WAR II

The drug problems that have become so dominant in the West now appear to have had their roots near the end of World War II when the Japanese, occupiers of Indochina, established a puppet government under the Vietnamese Emperor Bao Dai and granted it a paper-independence. This 'independence' made by the French to their former colony more difficult hope to the SMM for help in establishing a resistance movement by Ho Chi Minh in 1940 had arrived in fact. The absence of a period provided the perfect camouflage for SMM preparations, extensive intelligence network which was far superior to the south. CAT, later known as Air America or simply 'AA', had its disorganized Free French guerrillas. Ho was convinced that the OSS needed the Viet American Volunteer Group (AVG)—the famous Flying Tigers. American Office of Strategic Services (OSS) needed that the genesis in Major General Claire Chennault's World War II and he offered to become an American ally. However, history was to prove his conviction unfounded.

The OSS, modelled on the structures of the clandestine British SOE and M-16, had achieved great success in their behind-the-lines activities in virtually every theater of war. The forerunner of the Central Intelligence Agency, the wartime OSS was divided into Secret Intelligence (SI) and Special Operations (SO) branches and engaged in a wide variety of activities including intelligence gathering and analysis, espionage, sabotage, commando strikes, guerrilla actions, and psychological warfare.

An American "Cold War Combat Team" arrived quietly in Saigon soon after the fall of Dienbienphu. The goal of the original Saigon Military Mission (SMM) mission—to assist the Vietnamese in paramilitary and 'psychwar' operations against the Vietminh—was rapidly modified to reflect the results of peace negotiations talks taking place at Geneva. The SMM began to focus on preparing several covert paramilitary teams for action in Vietnam, which was soon to be evacuated by the French. Fervent Vietnamese anti-communists looked with hope to the SMM for help in establishing a resistance movement. The lengthy wrangling at Geneva during the regroupment period provided the perfect camouflage for SMM preparations, including the infiltration and supply of paramilitary teams. Civil Air Transport (CAT), the CIA-owned airline, had secured a French contract to airlift Catholic refugees from Tonkin to the south. CAT, later known as Air America or simply 'AA', had its genesis in Major General Claire Chennault's World War II American Volunteer Group (AVG)—the famous Flying Tigers. CAT had flown guns, ammunition and relief supplies (tents, blankets, food, medicine, etc.) for Chiang Kai-shek's Chinese Nationalist forces in their war against Mao's communists, and

eventually ended up transporting thousands of refugees
Chiang's armies collapsed.

As a result of backing the losing side in the Chinese civil war, CAT faced bankruptcy in 1950; and the CIA stepped in to become its new owner. Agency personnel had often flown in CAT planes to battlefields all over China. The CIA saw the potential of the airline as a perfect natural cover—an ideal potential as a moneymaker as well. CAT was quickly reorganized as a Delaware corporation to be administered from a base established in Washington. D.C. Headquarters were located in

The PEO was mainly a CIA cover for a wide range of covert actions against the Pathet Lao and its North Vietnamese sponsors. The PEO was the embodiment of the CIA's philosophy that, "The only way to combat communism in places like Laos was through covert political and paramilitary groups." An important aspect of the PEO mission included cultivating a friendship with the highlanders straddling the Lao-North Vietnamese border, the same tribes that had been organized and later abandoned by the French.

established in Washington D.C. Headquarters were based in Taipei where the CIA proprietary had found shelter with the pathetic government-in-exile of Chiang Kai-shek. CAT functioned as a legitimate airline, flying regular routes throughout Asia, with Tokyo, Bangkok, and Hong Kong among its destinations. The airline prospered rapidly during the economic boom proffered by the Korean War, and by 1954 CAT was the most profitable carrier in the Far East. But CAT's profit-maximizing operations conveniently served to mask its real function as CIA's private aerial paramilitary force. Its demonstrated capability suited the CIA's ever-expanding role in backing world paramilitary ventures. The CIA's involvement in Southeast Asia over the next quarter-century guaranteed that the Civil Air Transport (a.k.a. Air America and its worldwide subsidiary Intermountain Air and Southern Air Transport) had plenty to keep it busy.

In order to promote ethnic representation to a CIA-backed Laotian political organization, PEO operatives sought out the Meo tribesmen—the largest single tribal group in Laos—who make their living chiefly from the cultivation of poppies. Meo chief Vang Pao, who had been in charge of a French commando group near Dienbienphu in 1954, was at first skeptical of the CIA offer of direct support for his men if they would undertake guerrilla operations against communist supply lines. He had not forgotten the harsh recriminations the Meo had suffered from the communists as a result of their recent involvement with the French, but, most of all, he remembered how the French had abandoned and disarmed the Meo after Dienbienphu. To a proud Meo warrior, weapons symbolize honor and prestige, and now they were left to carry primitive or antiquated flintlock rifles. The chieftain asked for CIA assurances that his people would not be abandoned as they had been once before.

Prevented by the Geneva Agreements from maintaining large military advisory mission in Laos, the United States still established a Program Evaluation Office (PEO) in 1958, which was to function for the duration of the Vietnam War as the instrument of U.S. clandestine political and military activity.

The Meo guerrillas were only one of the Agency's mercenary armies in the region. Two other groups spawned the Chinese Civil War operated near the Meo homeland. The group consisted of some 12,000 veterans of Chiang Kai-shek's once proud Kuomintang Army which had been scattered over northern Burma, Thailand, and Laos; they made periodic forays over the Chinese border when they were not too busy trying to corner the local opium markets. The second secret army, made up of 14,000 Khamba guerrillas, operated from inside China in the homeland of Tibet, one of the last areas of mainland China brutally suppressed by Mao's communists. The CIA kept the paramilitary forces well supplied in an attempt to encourage other stubborn groups that were still resisting Mao's brand of communism.

The glue that held the CIA's far-flung mercenary empire together was Air America. The Khambas, the Kuomintang, and Meo: all depended on AA for food, supplies, ammunition, and economic assistance. 'Economic aid' often took the form of helping with local trade problems, such as bringing a tribe's opium crop to market. Some tribal chieftains either could not, or would not, cooperate in covert operations without such aid. Agency operatives began buying the Meo's opium harvests. The opium was often loaded on Air America planes and dumped over Communist China—a crackpot scheme thought up by a creative operative who envisioned thousands of Chinese peasants hooking on the stuff. Air America sometimes also transported opium poppies for transplanting to help defray its operating costs and keep its mercenary troops happy. The AA played no favorites: it carried both killers and doctors, wounded and dead, guns and food, opium and agents of the U.S. Drug Enforcement Agency.

In the end there was neither homeland nor victory. The dominoes fell to the Communists, and the United States pulled out, abandoning most of their one-time Hmong allies. Yang Pao's forces managed to hang on until the spring of 1975, when the Pathet Lao advanced on the seat of the coalition government. Along the way, in their first stage of 'liberation', the Communists began to fire on the "indigenous enemies of the people's state"—the tens of thousands of Hmong civilians fleeing from the northern highlands south toward Vientiane.

THE KUOMINTANG ARMY

As Chiang Kai-Shek's Kuomintang (KMT) troops being defeated by Mao Tse-Tung's army in 1949, the national government had hoped to make Yunnan Province a bastion of resistance. But Chiang was betrayed by warlord Lu Han, who opened the province to communist troops in December 1949. The communists defeated the 93rd Division of the KMT 8th Army led by General Li Mi, and forced the defeated troops into the Shan States. Later, the vanquished army reassembled and received military aid from the United States' Central Intelligence Agency and from Taiwan in order to prepare for an invasion of China. Despite its military failure, the KMT dominated the local population, monopolizing the opium trade in the Shan States. The Burmese Army, weakened by its struggles with the insurgent Nationalist Government, was powerless to prevent the KMT troops from occupying the territory between Salween and the Chinese border. The Chinese Nationalist formed an alliance with the Karen National Defense Organization (KNDO), who hoped thereby to obtain modern weapons. The KMT captured several towns close to Rangoon but were subsequently driven back beyond the Salween by the Burmese Army. A UN resolution was passed, providing for the evacuation of General Li Mi's men to Taiwan. Ultimately, several thousand nationalist soldiers remained in the Shan State, recruiting local tribesmen for reinforcements. In 1961, Burmese and Communist Chinese troops launched a combined attack aimed at eliminating the KMT. This action resulted in another KMT contingent being sent to Taiwan, but there still remained almost 6,000 men in the Golden Triangle, mostly in Thai territory. During the following years, the remaining KMT contingent

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expanded poppy cultivation, collected taxes from the tribes selling raw opium, and organized mule caravans to transport opium to Thailand. Certain influential Thai officials are thought to have ensured that Bangkok became an exporter to the rest of the world. In the 1960s, the KMT began to establish several refineries in the Triangle area which produced base morphine and heroin. Domestic rivalries saw the KMT troops divide into two factions. The 5th Army of 1,800 men, commanded by General Tuan Shue Wen, had its headquarters at Mae Salong in Chiang Rai Province, while the 3rd Army, led by General Lee Wen Huan, was based at Tam Ngop in Fang District with 1,400 men.

By the late 1960s, the refineries, aided by Hong Kong Chinese experts, were able to start producing Number 4 heroin of nearly 99 percent purity. Until then, Number 3 heroin, with a three to six percent purity, was the best they had achieved. This latter substance was unsuitable for injection, but was cheap and smokable. Number 3 heroin was consumed mainly by Thai opium addicts. When Number 3 was prohibited in Thailand in 1958, the Thai addicts were forced to switch to other narcotics. The first users of Number 4 heroin were the American GIs in Vietnam, where the spread of heroin addiction reached momentous proportions by the beginning of the 1970s. The rapid withdrawal of American troops in 1975, drastically dislocated demand, forcing traffickers to seek new export markets and dramatically decreasing the price of raw opium.

PRODUCERS BECOME CONSUMERS

Opium poppies, cannabis plants, and coca bushes are grown in many parts of the world wherever climate and geography are

favorable. In some regions, cultural traditions provide impetus for the cultivation of illicit crops elsewhere, the production and trafficking of cocaine, opium, and cannabis are big business. Only a truly international effort that attacks every link in the producer-to-user chain can succeed in defeating this menace. It is a basic connection among all three drugs is that production facilities in regions where economies are often faltering. A close connection between cultivating, processing, and trafficking drugs—and the incidence of abuse—is direct and inevitable. Producing and transit countries invariably become drug consuming countries as well.

The Asian drug abuse problem continues to grow. Heroin abuse has now reached epidemic proportions in a number of countries, including several not previously affected. Bangladesh reporting a heroin problem for the first time, estimated 10,000 heroin abusers in 1985. While India had no record of heroin abuse prior to 1981, recent information from treatment facilities indicates that it has spread rapidly among urban populations, particularly in major transshipment areas such as Bombay and New Delhi. Sri Lanka, where heroin had not been a problem prior to 1982, estimated 24,000 abusers in 1985. Heroin abuse remains a serious problem in Burma, Hong Kong, Macao, Malaysia, Singapore, and Thailand.

Cultivation of the opium poppy is widespread, and smoking or eating opium is traditional in certain regions. Opium abusers are usually older than heroin abusers. Burma, Bangladesh, India, Hong Kong, Malaysia, the Republic of Korea, the Philippines, Singapore, Thailand, and Sri Lanka all reported significant numbers of opium abusers.

The products of the opium poppy are sold in diverse forms,

the three most commonly abused being opium, morphine, and heroin. The age-old method of harvesting the opium poppy is to score the unripe seed pod, scrape the milky secretion, and air-dry it to produce a strong-smelling opium gum. This raw opium is brown and may be smoked, sniffed, or eaten.

In some areas of the world, opium gum is refined into impure morphine base by using hydrochloric acid. To produce heroin, the morphine base is further treated with acetic anhydride (or the acetyl chloride) and passed through a heating and filtering process requiring chemicals such as acetone, alcohol, and tartaric acid. In Southeast Asia, crude heroin is used to manufacture purple (Number 3) heroin, which is smoked. Crude heroin can also be precipitated, dried, and crushed to form white Number 4 heroin, the injectable drug used in the United States and Europe. Mexican heroin, which is produced by a different process than that used in Europe and Asia, is usually brown, although recently a potent "black tar" form has surfaced in the United States.

A modern, industrial method of processing the poppy is to use the industrial poppy-straw process and extract alkaloids from the mature dried plant in either liquid, solid, or powder form. Most poppy-straw concentrate available commercially for legal use is in the form of a fine brownish powder with a distinct odor.

Some major producing countries (such as Pakistan, Burma, Thailand, and Mexico) also have a significant refining capacity; sometimes neighboring countries serve as processing centers. For example, Malaysian traffickers produce illicit heroin from imported morphine and heroin base. They do not import raw opium for refining because the much greater bulk would dangerously increase the risks of smuggling, for which the penalty is severe—death.

OPIMUM PRODUCTION, 1984-1987¹

(Cultivation in hectares)

	1984	1985	1986	1987
Afghanistan	—	—	9,950	18,500
Burma	65,000	70,000	44,600	108,000
Guatemala	200	225	275	325
Laos ²	—	—	16,000-47,000	—
Lebanon	125	250	400	1,800
Mexico	5,200	7,500	6,000	7,360
Pakistan	1,750	2,770	7,805	11,270
Thailand	6,933	8,780	4,750	6,900
Egypt ³	1.4	2.5	2.5	2.7

¹ Source: International Narcotics Control Strategy Report, 1987, 1988.
² U.S. Department of State.
³ Estimated annual cultivation

Metric tons

During the past decade, the distinction between the drug producing and drug-abusing countries has blurred, disappearing completely in some places. Although many observers once thought that producing countries realized some positive benefits from the production of opiates, it is now clear that producers inevitably become major victims. Pakistan, with no reported heroin addicts in 1980, now estimates it has 660,000. Thailand, a major transit and refining point for Golden Triangle opiates, has over 500,000 addicts and has become a net importer to service its large population of opiate and heroin addicts. Malaysia's recent emergence as a heroin processing and transit country has coincided with a dramatic increase in domestic drug consumption.

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Dozens of other producing or trafficking countries report notable increases in drug abuse and addiction. Wherever illicit cultivation, production, and trafficking occur, abuse by the local population invariably ensues.

INTERNATIONAL TRAFFICKERS

The international drug abuse situation today is extremely grave, ranking high among the pressing problems of the United States—indeed the world—as global cultivation of opium, coca, and cannabis continues to expand. The supply of products made from these crops far exceeds the demand, but demand is escalating, particularly in the producing and trafficking countries—and continues to do so every year. These very countries, once unaffected and untouched by the effects of illicit drugs, now have their own growing populations of drug abusers. Like Western Europe and the United States, these 'dealer' countries are exploring ways to fight back, realizing that illicit drugs pose a threat not only to the physical health of their citizens, but also to domestic order and national security.

Drug production and trafficking are big business: the product is lucrative, needs little advertising, and keeps the customer coming back for more. The criminal organizations running these businesses are skillful and ruthless, and they viciously resist all governmental efforts to curtail their activities. Whenever a government mounts an intensive eradication campaign, traffickers often counter by planting even larger areas of crops, moving their fields to more remote areas, or by mounting disinformation campaigns, attempting to convince the populace that the government is harming its citizens by eradicating a cash crop. When

processing laboratories are destroyed, the traffickers will build new ones or design mobile labs that can be moved quickly. Law enforcement efforts are countered with corruption, violence, bribing or killing those officials whose activities threaten profits. Drug networks stretch from huts in remote jungles to luxurious penthouses in the world's major cities. International boundaries have no meaning to drug traffickers; if one government is able to significantly disrupt their activities, they simply move their operations to another country.

The situation, although very serious, is not hopeless. In the past several years, the international community has come to a awareness that illegal drugs are a global problem, and as such require a coordinated response. Drug control programs must be carried out simultaneously in all the major producing countries to prevent growers and, even more, dealers from evading crop control efforts. Supply-reduction programs in the producing countries must be matched by aggressive programs to reduce demand. As long as there is a high demand for illicit drugs and as long as there is money to pay for drugs, the traffickers will find ways to meet that demand.

Crop control, interdiction, law enforcement, education, treatment, and rehabilitation must go hand-in-hand. Only an effort that is cooperative, comprehensive, vigorously enforced, and truly international can successfully address the global drug threat.

THE PRODUCERS

BURMA

Burma, at the heart of the Golden Triangle, continues to be the largest producer of illicit opium in the world. The major portion of the crop is produced in areas dominated by drug trafficking groups—most of them insurgents, but some not—who remain outside the effective control of the central government, the Socialist Republic of the Union of Burma (SRUB). Inaccessibility has hampered the government's ambitious eradication efforts and makes accurate estimates of production difficult.

At the end of the 1950s, all of Burma's borders were affected by the eruption of tribal insurrections, most particularly in the Kachin and Shan States, those states having retained a certain autonomy during the period of British rule. The Shan States were still governed by *sawbwas* (feudal princes), and the Kachin States by *duwas* (traditional chiefs). Under their administrations, the cultivation of opium was restricted. This is significant, since the main zones of poppy cultivation are situated within the Shan States, which constitutes the major part of the Golden Triangle, and in the Kachin State. In 1982, these areas produced 263,000 viss of opium (438 tons) and recent estimates put output at 534 tons for 1984 and 424 tons for 1985.

A participant in the International Opium Convention at The Hague in 1912, Burma in 1912 implemented Article 295 of the convention with new legislation restricting the sale of opium. The Shan States, at that time administratively autonomous, were much affected by the new laws as the Shan State Opium Order of

THE CIA AND THE DRUG INDUSTRY

The mid-1960s marked the peak of the European heroin industry, and shortly thereafter it went into a sudden decline. In the early 1960s the Italian government launched a crackdown on the Sicilian Mafia, and in 1967 the Turkish government announced that it would begin phasing out cultivation of opium poppies on the Anatolian plateau in order to deprive Marseille's heroin laboratories of their most important source of raw material. But, unwilling to abandon their lucrative narcotics racket, the Corsican syndicates—and the American Mafia—shifted their sources of supply to Southeast Asia, where surplus opium production and systematic government corruption created an ideal climate for large scale heroin production.

And once again American foreign policy played a role in creating these favorable conditions. During the early 1950s the CIA had backed the formation of a Nationalist Chinese guerrilla army in Burma, a group which still controls as much as half of the world's opium supply, and in Laos the CIA created a Meo mercenary army whose commander manufactured heroin for sale to, among others, American GIs in South Vietnam. The State Department provided unconditional support for corrupt governments known to be engaged in the international drug trade. In late 1969 new heroin laboratories sprang up in the tri-border area where Burma, Thailand, and Laos converge, and unprecedented quantities of heroin started flooding into the United States. Nurture by a seemingly limitless flow of heroin, America's total number of addicts skyrocketed.

The Role of the CIA

The bloody Saigon street fighting of April-May 1955 marked the end of French colonial rule and the beginning of direct American intervention in Vietnam. When the First Indochina war came to an end, the French government had planned to withdraw its forces gradually over a two- or three-year period in order to protect its substantial political and economic interests in southern Vietnam. The armistice concluded at Geneva, Switzerland, in July 1954 called for the French Expeditionary Corps to withdraw into the southern half of Vietnam for two years, until an all-Vietnam referendum determined the nation's political future. Convinced that Ho Chi Minh and the Communist Viet Minh were going to score an overwhelming electoral victory, the French began negotiating a diplomatic understanding with the government in Hanoi.

But America's moralistic cold warriors were not quite so flexible. Speaking before the American Legion Convention several weeks after the signing of the Geneva Accords, New York's influential Catholic prelate, Cardinal Spellman, warned that:

"If Geneva and what was agreed upon there means anything at all, it means... taps for the buried hopes of freedom in Southeast Asia! Taps for the newly betrayed millions of Indochinese who must now learn the awful facts of slavery from their eager Communist masters!"

Rather than surrendering southern Vietnam to the "Red rulers' godless goons," the Eisenhower administration decided to create a new nation where none had existed before. Looking back on America's post-Geneva policies from the vantage point of the mid 1960s, the Pentagon Papers concluded that South Vietnam "was... the creation of the United States."

The French had little enthusiasm for this emerging national premier, and so the French had to go. Pressured by American military aid cutbacks and prodded by the Diem regime, French stepped up their troop withdrawal. By April 1956 the mighty French Expeditionary Corps had been reduced to less than 5,000 men, and American officers had taken over their place as advisers to the Vietnamese army. The Americans criticized the French as hopelessly "colonialist" in their attitudes, and this difficult transition period one French official denounced "the meddling Americans who, in their incorrigible guilelessness, believed that once the French Army leaves, Vietnamese independence will burst forth for all to see."

But America's fall from innocence was not long in coming. Only seven years later, the U.S. Embassy and the CIA engineered a coup that toppled Diem and left him murdered in the back of an armored personnel carrier. And by 1965 the United States found itself fighting a war that was almost a carbon copy of France's colonial war. The U.S. Embassy was wearisomely trying, but effectually unable, to manipulate the same clique of corrupt Saigon politicians that had confounded the French in their day. The U.S. Army looked just like the French in their day. The most Vietnamese, only instead of Senegalese and Moroccan colonial levies, the U.S. Army was assisted by Thai and Moroccan Berets') were assigned to train the very same hilltribe mercenaries that the French MACG (the "Red Berets") had recruited ten years earlier.

Given the striking similarities between the French and American war machines, it is hardly surprising that the broad

the Role of the C.I.A.

outlines of "operation X" (Although the French colonial government initiated a program to eliminate opium addiction, the French intelligence and paramilitary agencies took over the French traffic in order to finance their covert operations during the opium traffic in order to finance their covert operations during the First Indochina War of 1946-1954.) reemerged after U.S. intervention. As the CIA became involved in Laos in the early 1960s it became aware of the truth of Colonial Trinquier's axiom, "To have the Meo, one must buy their opium." At a time when there was no ground or air transport to and from the mountains of Laos except CIA aircraft, opium continued to flow out of the villages of Laos to transit points such as Long Tieng. There, government forces, this time Vietnamese and Lao instead of French, transported narcotics to Saigon, where parties associated with the Vietnamese political leaders were involved in the domestic distribution and arranged for export to Europe through Corsican and CIA syndicates. And just as the French high commissioner had found it politically expedient to overlook the Binh Xuyen's involvement in Saigon's opium trade, the U.S. Embassy, as part of its unqualified support of the Thieu Ky regime, looked the other way when presented with evidence that members of the regime were involved in the GI heroin traffic.

In Laos, CIA clandestine intervention produced changes and upheavals in the narcotics traffic. When political infighting among the Lao elite, coupled with the escalating war in Vietnam, forced the small charter airlines owned by the Corsican syndicates out of the opium business in 1965, the CIA's airline, Air America, began flying Meo opium out of the hills to Long Tieng and Vientiane. CIA cross-border intelligence missions launched into China from Laos reaped an unexpected dividend in 1962 when the rebel leader who had organized the forays for the

the area for a number of years, the heroin laboratory at Na Kueng was protected by Major Chao La, commander of Yao mercenary troops for the CIA in northwestern Laos. One of the heroin laboratories near Ban Huay Sai reportedly belonged to General Ouane Rattikone, former commander in chief of the Royal Laoian Army—the only army in the world, except for the U.S. army itself, to be entirely financed by the U.S. government. The heroin factories near Tachilek were operated by rebel units from Burma and Shan rebel armies who even now control a large percentage of the narcotics traffic out of Burma. Although few of these Shan groups still have any relation with the CIA, one of the most important chapters in the history of the Shan States' opium trade involves a Shan rebel army under Khun Sa, who is still receiving CIA support, either directly or indirectly.

Other sources have revealed the existence of an important heroin laboratory that operated near Vientiane under the protection of General Ouane Rattikone. And finally, the U.S. Bureau of Narcotics had reports that General Vang Pao, commander of the CIA's 'secret army', had been operating a heroin factory at Long Tieng, headquarters for CIA sponsored operations in northern Laos.

In the fertile minds of the geopolitical strategists in the CIA's Special Operations division, potential infiltration routes stretched from the Shan hills of north-eastern Burma, through the rugged Laotian mountains, and then southward into the Central High-lands of South Vietnam. According to one retired CIA operative, Lt. Col. Lucien Conein, Agency personnel were sent to Laos in 1959 to supervise eight Green Beret teams who were then training Meo guerrillas on the Plain of Jars. In 1960 and 1961 the CIA

elements of Nationalist Chinese Paramilitary units

agency began financing the Shan nationalist cause; he did so by selling Burmese opium to another CIA protégé, Laoian General Phoumi Nosavan. The business alliance between General Phoumi and the Shans opened up a new trading pattern that diversified normal marketplace in Bangkok. By the late 1960s U.S. Air Force bombing had further disrupted opium production in Laos by forcing the majority of the Meo opium farmers to become refugees. In response, flourishing Laoian heroin laboratories—which were the major suppliers for the GI users in Vietnam—simply increased their imports of Burmese opium through pre-existing trade relationships.

The importance of these CIA clients in the subsequent growth of the Golden Triangle's heroin trade was revealed inadvertently, by the Agency itself when it leaked a classified report on the Southeast Asian opium traffic to the New York Times. The CIA analysis identified twenty-one opium refineries in the tri-border area where Burma, Thailand, and Laos converge, and reported that seven were capable of producing 90 to 99 percent pure No. 4 heroin. Of these seven heroin refineries, "The most important are located in the areas around Tachilek, Burma, Ban Houei Sai and Nam Keung in Laos; and Mae Salong in Thailand."

Although the CIA did not see fit to mention it, many of those refineries were located in areas totally controlled by paramilitary groups closely identified with American military operations in the Golden Triangle. Mae Salong was headquarters of the Nationalist Chinese Fifth Army, which had been continuously involved in CIA intelligence and counterinsurgency operations since 1950. According to a former CIA operative who worked in

based in northern Thailand to infiltrate into China-Burma border areas; they also sent Green Berets into South Vietnam's Central Highlands to organize hilltribe commando units for intelligence and sabotage patrols along the Ho Chi Minh Trail. Finally, in 1962 one CIA operative based in northwestern Laos began sending trained Yao and Lahu tribesmen into the heart of China's Yunnan Province to monitor road traffic and tap telephones.

While the U.S. military required half a million troops to fight a conventional war in South Vietnam, the mountain war had needed only a handful of Americans. American paramilitary personnel in Laos tended to serve long tours of duty, some for a decade or more, and had been given an enormous amount of personal power. If the nature of the conventional war in South Vietnam is best analyzed in terms of the faceless bureaucracies that spewed out jargonized policies, the secret war in Laos is most readily understood through the men who fought it.

THE OPERATIVES

Three men, perhaps more than any of the others, have left their personal imprint on the conduct of the secret war: Edgar Buell, Anthony Poe, and William Young. And each in his own way illustrates a different aspect of America's conscious and unconscious complicity in the Laotian opium traffic. William Young, perhaps one of the most effective agents ever, was born in the Burmese Shan States, where his grandfather had been a missionary to the hill tribes. A gifted linguist, Young spoke five of the local languages and probably knew more about mountain minorities than any other American in Laos; the CIA mightily regarded him as its "tribal expert." Because of his deep

The most curious of this triumvirate is Edgar "Pop" Buell, originally a farmer from Steuben County, Indiana. Buell first came to Laos in 1960 as an agricultural volunteer for International Voluntary Services (IVS), a Bible Belt counterpart of the Peace Corps. He was assigned to the Plain of Jars, where the CIA was building up its secret Meo army, and became involved in the

facilities to administer the drug traffic. any of Ouane Rattikone's officers from using U.S. supplied ing heroin factories along the Mekong River, not once stopping was indifferent toward the opium traffic and ignored the prosper- severed head—when accompanied by a Pathet Lao army cap. He his soldiers 500 kip (one dollar) for an ear and 5,000 kip for a threatened to reach his goals, as a mercurial leader who rewarded drinker and as an authoritarian commander who bribed and work with Yao tribesmen. The Yao remember "Mr. Tony" as a supervise Secret Army operations in the tri-border area and to Several years later he was transferred to northwestern Laos to in 1963 he was sent to Laos as chief advisor to General Vang Pao. mercenaries along the Cambodian border in South Vietnam, and Poe's first assignment in Indochina was with anti-Sihanouk Asia, playing an important role in the CIA's Tibetan operations. Operations division sometime after the war and quickly earned a reputation as one of its crack clandestine warfare operatives in Pacific during World War II. Poe joined the CIA's Special Anthony Poe was indifferent to the problem. A marine in the somebody will market it."

Agency's activities largely through circumstance and the CIA. Drugs, the U.S., and KMT.

God-given anti-Communism. As CIA influence spread through the Meo villages ringing the Plain of Jars, Buell became a man supply corps, dispatching Air America planes to drop rice meal, and other necessities the CIA had promised to deliver. Buell feigned being the innocent country boy, claiming his work was humanitarian aid for Meo refugees. Nevertheless, his operations were clearly an integral part of the CIA program. In his efforts to bolster the Meo economy and to increase the tribe's military effectiveness, Buell utilized his agricultural skills to improve Meo techniques for planting and cultivating opium. "If you're gonna grow it, grow it good," Buell told the Meo.

THE EMERGENCE OF THE KMT

Just as the work of French clandestine services in Indochina had enabled the opium trade to survive a government repression campaign, so some CIA 'actives' in Burma helped transform the largest opium-growing Shan States from a relatively backward into the poppy-growing center in the world. The precipitous collapse of the Nationalist Chinese or Kuomintang (KMT) government in 1949 convinced the Truman administration that it had to stem "the southward flow of communism" into Southeast Asia. In 1950 the Defense Department proffered military aid to the remnants of the defeated Kuomintang army in the Burmese Shan States for a projected invasion of southern China. Although the KMT army was to fail in its military objectives, it did succeed in monopolizing and expanding the Shan States' opium trade. When the People's Liberation Army entered Yunnan in December 1949, Lu Han armed the populace, who then drove

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Chiang's troops out of the cities. Nationalist Chinese stragglers began crossing into Burma in late 1949, and in January of 1950 remnants of the Ninety-third Division, Twenty-sixth Army, and General Li Mi's Eight Army arrived in Burma. Five thousand of Burma were quickly disarmed by the French and interned on Phu Quoc Island in the Gulf of Thailand, from where they were repatriated to Taiwan in June 1953.

The Burmese army was, however, less successful than the French in dealing with the KMT. By March 1950 some fifteen hundred of the displaced troops had crossed the border and were occupying territory between the city of Kengtung and Tachilek. In June, the Burmese army commander for Kengtung State demanded that the KMT either surrender or leave Burma immediately. When Li Mi refused, the Burmese launched an attack from Kengtung and captured Tachilek in a matter of weeks. Two hundred of Li Mi's troops fled into Laos where they were interned, but the remainder retreated to Mong Hsat, about forty miles west of Tachilek and fifteen miles from the Thai border. Because the Burmese army had been weakened by three years in central Burma battling four major rebellions, its Kengtung contingent was inadequate to pursue the KMT through the mountains to Mong Hsat. But, at the time, it seemed only a matter of months until the Burmese troops would become available for the final assault on the weakened KMT forces.

At this point the CIA entered the list of combatants on the side of the KMT, drastically altering the balance of power. The Truman administration, ambivalent toward the conflict in South-east Asia since taking office in 1945, was shocked into action by the sudden collapse of Chiang Kai-shek's Kuomintang regime.

Government agencies scrambled to devise policies "to keep the U.S. and KMT from interfering with Communist activities in Southeast Asia." The Joint Chief of Staff (JCS) advised the Secretary of Defense to implement "a program of special covert operations" planned to interdict Communist activities in Southeast Asia. The Pentagon Papers were not spelled out in the JCS memo or any of the other operations ever undertaken by the CIA: the U.S. ambassador were kept in the dark; and it was even hidden from the CIA how deputy director for intelligence.

The first signs of direct CIA aid to the KMT appeared in 1951, when Burmese intelligence agents reported that unnamed C-46 and C-47 transport aircraft were making at least five parachute drops a week to KMT forces in Mong Hsat. While new supplies, the KMT underwent a period of vigorous expansion and reorganization. Training bases were constructed near Mong Hsat and staffed with instructors flown in from Taiwan. KMT agents scoured the Kokang and Wa States along the Burma-China border for scattered KMT survivors, and General Li Mi's force burgeoned to four thousand men. In April 1950, Li Mi led the bulk of this force up the Salween River to Mong Mao camp near the China border. As more stragglers were rounded up, a new base camp was opened at Mong Yang; soon unmarked C-47s were seen making air drops in the area. After Li Mi recruited three hundred troops from Kokang State under the command of the headman's younger sister, Olive Yang, more arms were dropped to the KMT camp.

Rather than abandoning this doomed adventure, the CIA redoubled its efforts. Late in 1951, the KMT reopened the old World War II landing strip at Mong Hsat so that it could handle the large two- and four-engine aircraft flying in directly from Taiwan or Bangkok. In November, Li Mi flew to Taiwan for a vacation and returned three months later, to be soon followed by a CAT (Civil Air Transport, later known as Air America) airlift, which flew seven hundred regular KMT soldiers from Taiwan to Mong Hsat. Burmese intelligence reported that the unmarked C-47s began a regular shuttle service with two flights a week direct from Taiwan. A mysterious Bangkok-based American company named Sea Supply Corporation began forwarding enormous quantities of U.S. arms to Mong Hsat. Burmese Military Intelligence observed that the KMT began sporting brand-new American M-1s, .50 caliber machine guns, bazookas, mortars, and anti-aircraft artillery. With these lavish supplies, the KMT press-

ganged eight thousand soldiers from the hardy local hill tribes and soon tripled their forces to twelve thousand. After a year-long buildup, General Li Mi launched his final bid to reconquer Yunnan Province. In August 1952, 2,100 KMT troops from Mong Yang invaded China and penetrated about sixty miles before the Chinese army drove them back into Burma. There would be no more invasions. Although General Li Mi and his American advisors had not really expected to conquer the vast stretches of Yunnan Province with an army of twelve thousand men, they had been confident that once the KMT set foot in China, the "enslaved masses" would rise up against Mao and flock to Chiang Kai-shek's banner. After the three abortive forays had conspicuously failed to arouse the populace, General Li Mi quietly abandoned the idea of conquering China and resigned himself to holding the line in Burma.

The KMT ceased concentrating their forces in a few bases on the China border and spread their troops out to control as much territory as possible. Since the Burmese army was still preoccupied with insurgency in other parts of Burma, the KMT soon became the only effective government in all the Shan States territories between the Salween River and the China border (Kokang, Wa, and Kengtung states). These territories were also Burma's major opium-producing region, and the shift in KMT tactics allowed them to increase their control over the region's opium traffic.

The KMT occupation centralized the marketing structure by using hundreds of petty opium traders to comb the Shan highlands. The KMT also required that every hilltribe farmer pay an annual tax in the form of opium. One American missionary to the Lahu tribesmen of Kengtung State, the Reverend Paul Lewis,

Soon after their arrival in Burma, the KMT had formed a mountain transport unit, recruiting local mule drivers and their animals. Almost all the KMT opium was sent south to Thailand, either by mule train or aircraft. Since most of their munitions and supplies were carried overland from Thailand, the KMT mule caravans found it convenient to haul opium on the outgoing trip across the Thai border. Burmese military sources claimed that much of the KMT opium was flown from Mong Hsat in unmarked C-47s flying to Thailand and Taiwan. However it was carried, once the KMT opium left Mong Hsat it was usually shipped to Chiang Mai, where a KMT colonel maintained a liaison office with the Nationalist Chinese consulate and with local Thai authorities. Posing as ordinary Chinese merchants, the colonel and his staff used raw opium to pay for the munitions, food, and clothing that arrived from Bangkok at the Chiang Mai railroad. Once the material was paid for, it was the colonel's

recalls that the KMT tax stimulated a dramatic rise in the amount of opium grown in the highland villages he visited. Tribes had very little choice in the matter, and Lewis can still remember the agony of the Lahu who were tortured by the KMT for failing to comply with their demands. Many Chinese soldiers inevitably married Lahu tribeswomen, and such marriages reinforced KMT control over the highlands and made it easier for them to secure opium and recruits. Given their personal contacts in mountain villages, their powerful army, and their control over the opium-growing regions, the KMT were in an ideal position to force an expansion of the Shan States' opium production when Yunnan's illicit production began to disappear in the early 1950s.

responsibility to forward it to Mong Hsat, General Phao, who shipped the opium from Chiang Mai to Bangkok for local consumption and export.

While the three CIA-sponsored invasions of Yunnan, however feebly conceived they may have been, at least represented a bona fide anti-Communist policy, the next move defied all logic. With what appeared to be CIA support, the KMT began a full scale invasion of eastern Burma. In late 1952, thousands of KMT mercenaries forded the Salween River and began a well-orchestrated advance. The Burmese government claimed that this was the beginning of an attempt to conquer the entire country. But in March 1953, the Burmese fielded three crack brigades and quickly drove the KMT back across the Salween River. Intriguingly, after a skirmish with the KMT at Wan Hsa La ferry, Burmese soldiers discovered the bodies of three caucasians who bore no identification other than some personal letters with Washington and New York addresses.)

By now the issue had become such a source of international embarrassment for the United States that Washington used its influence to convene, in May of 1953, a Four-Nation Military Commission (the United States, Burma, Taiwan, and Thailand) to deal with the problem. At the meeting (which was held in Bangkok), only after Burma took the issue to the United Nations in September did the Taiwan negotiators in Bangkok stop quibbling and agree to the withdrawal of two thousand KMT troops. The evacuees would march to the Burma-Thailand border, be trucked back to Chiang Rai, Thailand, and flown to Taiwan by General Chennault's CAT.

The Burmese, however, were suspicious of the arrangements

"For many years there have been large numbers of Chinese Nationalist troops in the area demanding food and money from the people. The areas in which these troops operate are getting poorer and poorer and some villages are finding it necessary to flee."

Not only did the KMT continue to demand opium from the tribes, but they increased their activities in the narcotics trade as well. When the Burmese army captured the KMT camp at Wanion in 1959, they discovered three refineries of morphine base operating near a usable airstrip.

Although forgotten by the international press, the KMT operations continued to create problems for both the

Government corruption is not just a problem in Thailand, it is a way of life. Like every bureaucracy, the Thai government has elaborate organizational charts marking out neatly delineated areas of authority. To the uninformed observer it seems to function much like any other meritocracy, with university graduates occupying government posts, careers advancing step by

THE THAI ELITE

At first glance the history of the KMT's involvement in the Burmese opium trade seems to be just another case of a CIA client unilaterally taking advantage of the agency's political protection to enrich itself from the narcotics trade. But upon closer examination, the CIA appears to be much more seriously compromised in the affair. The CIA fostered the growth of the Yunnan Province Anti-Communist National Salvation Army in the borderlands of northeastern Burma—a potentially rich opium-growing region. There can be no question of CIA ignorance or naïveté since as early as 1952 The *New York Times* and other major American newspapers published detailed accounts of the KMT's role in the narcotics trade. But most disturbing of all is the coincidence that the KMT's Bangkok connection was the commander of the Thai Police—and General Phao was the CIA's man in Thailand.

When the Burmese army drove them into Laos and Thailand. By this time the Kuomintang had already used their control over the tribal populations to expand Shan State opium production nearly tenfold—from less than 40 tons at the end of World War II to an

With CIA support, the KMT remained in Burma until 1961, when the Burmese army drove them into Laos and Thailand. By this time the Kuomintang had already used their control over the tribal populations to expand Shan State opium production nearly tenfold—from less than 40 tons at the end of World War II to an

Union of Burma and People's Republic of China met to reach a border dispute in the summer of 1960, they also conducted secret agreement for combined operations against the KMT's largest transport aircraft, with a runway capable of handling the largest transport aircraft, was defended by some ten thousand KMT troops entrenched in an elaborate fortified complex. After weeks of heavy fighting, five thousand Burmese troops and the full People's Liberation Army divisions (totaling 20,000 men) finally overwhelmed the fortress on January 26, 1961. While many of their hilltribe recruits fled into the nearby mountains, the crack KMT retreated across the Mekong River into northwestern Laos. Burmese officers were outraged to discover American weapons of recent manufacture and five tons of ammunition bearing distinctive American labels. In Rangoon, 10,000 angry demonstrators marched in front of the U.S. Embassy, and Burma sent a note of protest to the United Nations saying that "large quantities of modern military equipment, mainly of American origin, have been captured by Burmese forces."

The KMT shipped bountiful harvests to northern Thailand, where they were sold to a CIA client, General Phao Sryamonda in order to provide a secure rear area for the KMT, but this strategic alliance soon became a pivotal factor in the growth of Southeast Asia's narcotics traffic.

step, and proposals moving up and down the hierarchy in a more or less orderly fashion. But all of these charts and procedures were (and are) a facade, behind which operate powerful military cliques whose driving ambition is to appropriate power, money, power, and patronage to become a government without the colonies of plotters united by greed and ambition. A clique usually has its beginning in some branch of the military service, where a hardcore of friends and relatives begin to recruit supporters from the ranks of their brother officers. Since official salaries have always been notoriously inadequate for the basic needs—not to mention the dreams—of many officers, each rising faction must find itself a source of supplementary income. While graft within the military itself provides a certain amount of money, all cliques are eventually forced to extend their tentacles into the civilian sector. A clique usually concentrates on taking over a single government ministry or monopolizing a certain realm of business, such as the rice trade or the lumber industry. By the time a clique matures it has a highly disciplined pyramid of corruption. At the bottom, minor functionaries engage in extortion or graft, passing the money up the ladder, where leaders skim off vast sums for themselves and divide the remainder among their loyal followers. Clique members may steal from the official government, but they usually do not dare steal from the clique itself; and the amount of money they receive from the clique is rigidly controlled. When such a clique grows strong enough to make a bid for national power, it is inevitably forced to confront another military faction. Such confrontations account for nearly all the coups and counter-coups that have determined the course of Thai politics ever since senior civil servants and army officers ended the absolute monarchy in 1932.

From 1947 to 1957, Thai politics was dominated by an intense rivalry between two powerful cliques: one led by General Phibun had recruited these two powerful army cliques. The clique led by Sani was composed mainly of ambitious young army officers; the other was led by the commander in chief of the army, General Phin, and sparked by his aggressive son-in-law, Colonel Phao Sriyanonda. Soon after the triumvirate took power, the two army cliques began to squabble over the division of the spoils. Military power was divided without too much rancor when Phao became deputy director-general of the National Police. (When Phao took over in 1951, his forty thousand police officers were an adequate counter-balance to Sani's forty-five thousand-man army.) And many of the bureaucratic and commercial spoils were divided with equal harmony. An exceptionally bitter struggle developed, however, over control of the opium traffic. The illicit opium trade had only recently emerged as one of the country's richest economic assets. Its sudden, massive economic significance may have served to upset the delicate balance of power between the Phao and Sani cliques. Although the official government Opium Monopoly had thrived for almost a hundred years, by the time of the 1947 coup the high cost of imported opium and the reasonably strict government controls made it an unexceptional source of graft. However, the rapid

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decline in imports of foreign opium and the growth of local opium trade worth fighting over. At the first United Nations narcotics conference in 1946, Thailand was criticized for being the only country in Southeast Asia still operating a legal government monopoly. Far more threatening than the criticism, however, was the general agreement that all non-medical opium exports should be ended as soon as possible. Iran had already imposed a temporary ban on opium production in April 1946, and smuggled supplies from China were trickling to an end as the People's Republic initiated its successful opium eradication campaign. Although the Thai monopoly was still able to import sufficient quantities, the future needs for raw opium, in 1947 the Thai government authorized poppy cultivation in the northern hills for the first time. The edict attracted an increasing number of Meo tribespeople into Thailand's opium-growing regions, stimulating a dramatic increase in Thai opium production.

But these gains in local production were soon dwarfed by the Iranian and Chinese opium gradually disappeared in the early 1950s, the KMT filled the void by forcing an expansion of production in the Shan States, which they occupied. The KMT were at war with the Burmese and since their U.S. supplies were sent through Thailand, Bangkok became a natural entrepôt for KMT opium. By 1949 most of the Thai monopoly's opium was from Southeast Asia, and in 1954 British customs in Singapore stated that Bangkok had become the major center for international opium trafficking in the region. The traffic had become so

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lucrative that Thailand quietly abandoned the anti-opium campaign announced in 1948 (all opium smoking was to have ended by 1953). The 'opium war' between Phao and Sarit was a hidden one, with almost all the battles concealed by a cloak of official secrecy. The most comical exception occurred in 1950 as one of General Sarit's army convoys approached the railroad at Lampang in northern Thailand with a shipment of opium. Phao's police surrounded the convoy and demanded that the soldiers surrender the opium since anti-narcotics work was the exclusive responsibility of the police. When the army men, threatening to shoot its way through to the railway, the police brought up heavy machine guns and dug in for a fire-fight. A nervous standoff continued for two days until Phao and Sarit themselves arrived in Lampang, took possession of the opium, and jointly escorted it to Bangkok, where it quietly disappeared.

In the underground struggle for the opium trade, General Phao slowly gained the upper hand. While the clandestine nature of this 'opium war' makes it difficult to reconstruct the precise ingredients in Phao's victory, the critical importance of CIA support cannot be underestimated. In 1951, a CIA front organization, the Sea Supply Corporation, began delivering lavish quantities of naval vessels, arms, armored vehicles, and aircraft to General Phao's police force. With this materiel, Phao was able to establish a police air force, a maritime police, a police armored division, and a police paratroop unit. General Sarit's American military advisors repeatedly refused to grant to his army the large amounts of modern equipment that Sea Supply Corporation gave Phao's police.

Since Sea Supply shipments to KMT troops in Burma were

protected by the Thai police, Phao's alliance with the CIA also gave him extensive KMT contacts, through which he was able to build a virtual monopoly on Burmese opium exports. Phao's new financial and military power quickly tipped the balance of political power in his favor and in a December 1951 cabinet reshuffle his clique captured five cabinet slots, while Sarit's faction got only one. Within a year, Sarit's rival had taken control of the government and Phao was widely recognized as the most powerful man in Thailand.

Phao used his new political power to further strengthen his profitable Bangkok slaughterhouse, rigged the gold exchange, collected protection money from Bangkok's wealthiest Chinese businessmen, and forced them to appoint him to the boards of over twenty corporations.

The man who C. L. Sulzberger of the *New York Times* called a "superlative crook" (and whom a respected Thai diplomat hailed as the "CIA's most important Thai client, Phao became Thailand's most ardent anti-Communist, and it appears that his major obligation was to further KMT political aims in Thailand and to support his guerrilla units in Burma. Phao protected supply shipments to the KMT, marketed their opium, and performed such miscellaneous services as preventing Burmese observers from going to the staging areas during the November-December 1953 airlifts of supposed KMT soldiers to Taiwan.

By 1955, Phao's National Police Force had become the largest opium-trafficking syndicate in Thailand and was ultimately involved in every phase of the narcotics traffic; the level of corruption was remarkable even by Thai standards. If the

smuggled opium was destined for export, police border guards escorted the KMT caravans from the Thailand-Burma border to police warehouses in Chiang Mai. From there police guards brought it to Bangkok by train or police aircraft. It was then loaded onto civilian coastal vessels and straightforwardly escorted by maritime police to a mid-ocean rendezvous with freighters bound for Singapore or Hong Kong.

However, if the opium was needed for the government Opium Monopoly, political considerations necessitated bizarre theatrics, with police border guards staging elaborate shoot-outs with the KMT smugglers near the Thai-Burma frontier. Invariably, the KMT guerrillas would drop the opium and flee, while the police heroes brought the 'captured' opium to Bangkok and collected a reward worth one-eighth of the retail value. The opium would subsequently disappear. Phao himself delighted in posing as the leader in the crusade against opium smuggling, and he often made hurried, dramatic departures to the northern frontier, where he personally led his men in these desperate gun battles with the ruthless smugglers of slow death.

There can be little doubt that CIA support was an invaluable asset to General Phao in managing the opium traffic. The agency supplied the aircraft, motor vehicles, and naval vessels that gave Phao the logistic capability to move opium from the poppy fields to the sea lanes. And his role in protecting Sea Supply's shipments to the KMT no doubt gave Phao a considerable advantage in establishing himself as the exclusive exporter of KMT opium. Given its even greater involvement in the KMT's Shan States opium commerce, how do we evaluate the CIA's role in the evolution of large-scale opium trafficking in the Burma-Thailand area? Under the Kennedy administration, Presidential adviser

the CIA actively organized the traffic is something that only the agency itself can answer. In any case, by the early 1960s the Golden Triangle had become the largest single opium-growing region in the world—a vast reservoir able to supply America's lucrative markets. Today, the Golden Triangle has surplus opium; it still has well-protected, disciplined syndicates; and it has become America's major heroin supplier.

In Thailand, a hundred years of foreign advisers and twenty-five years of American advisers have given the government a certain veneer of technical sophistication but have also inhibited the growth of any internal revolutions that might have broken with the traditional patterns of corrupted, autocratic government. At the base of Thailand's contemporary pyramids of corruption, legions of functionaries systematically plunder the nation and pass money up the chain of command to the top, where authoritarian leaders enjoy an opulent lifestyle reminiscent of the old god-kings. Marshal Sarit, for example, had over a hundred mistresses, arbitrarily executed criminals at public spectacles, and died with an estate of over \$150 million. Such potentates, able to control every corrupt functionary in the most remote province, are rarely betrayed during struggles with other factions. As a result, a single political faction has usually been able to centralize and monopolize all of Thailand's narcotics traffic. In contrast, the opium trade in Laos and the Shan States of Burma reflects a more fragmented and feudal political tradition: each regional warlord controls the traffic in his own territory.

Walt W. Rostow popularized a doctrine of economic development which preached that a stagnant, underdeveloped economy could be jolted into a period of rapid growth, an economic "takeoff," by a massive injection of foreign aid and capital, capital which could subsequently be withdrawn as the economy coasted into a period of self-sustaining growth. CIA support for Phao and the KMT seems to have sparked such a "takeoff" in the Burma-Thailand opium trade during the 1950s: modern aircraft replaced mules, naval vessels expropriated the traffic from bands of illiterate mountain traders.

Never before had the Shan States encountered smugglers with the discipline, technology, and ruthlessness of the KMT. Under General Phao's leadership, Thailand had changed from an opium-consuming nation to emerge as the world's most important opium distribution center. The Golden Triangle's opium output approached its present level; Burma's total harvest had increased from less than forty tons just before World War II to reach three hundred to four hundred tons in 1962—and then to nearly 2,000 tons today. Thailand's growth was even more remarkable, from seven tons to over 100 tons.

But was this increase in opium production the result of a conscious decision by the CIA to support its allies, Phao and the KMT, through the narcotics traffic? Of one thing there can be no doubt: the CIA knew its allies were heavily involved in the traffic. Headlines made it known to the whole world. Phao, clearly a protégé of the CIA, was obviously responsible for the censure that Thailand received from the United Nations Commission on Narcotic Drugs. And certainly the CIA did nothing to halt the trade or to prevent its aid from being abused. But whether

The major producer of heroin in the Far East today is Khun Sa, an enigmatic character who makes a fortune through his trade in narcotics and other contraband. There are several other 'opium warlords' in the Golden Triangle—the Laotian leader, Kaysone Phomvihane; a Thai, Lao Su; a Burmese, Korm Jerng—but Khun Sa is the man who during an interview at his fortress in Burma a short time ago arrogantly and publicly announced his plan to step up opium production in the Golden Triangle to 1200 tons a year, quick to smile. Like many of the people in the Burma-Thailand-Laos area, he is the product of a mixed marriage, of mixed Shan and Haw Chinese blood; he was born in 1933 (or 1934) in Loi Maw in the Mong Yai State and claims maternal descent from a local *sawbwa*. Though his given name is Chang Chi-fu, he adopted the pseudonym 'Khun Sa', *khun* meaning "Lord" and "Sa" being his stepfather's name, his mother having remained a Shan prince. He had gained military experience with the KMT, then became leader of his own army of several hundred men which he transformed into a KKY unit.

The young swashbuckler settled around the towns of Tang Yang and Ving Ngun close to the Wa States, an area renowned for its bountiful opium production, and was soon sending large caravans of opium into Thailand and Laos. This led to clashes with KMT troops, who until then had controlled 90 percent of exports from Burma, thus sparking an 'Opium War'. The conflict ended in a formal battle at Ban Khwan in Laos, Khun

Telling this story, Khun Sa's usually amiable face loses its
smile and turns hard. "I've never forgotten what they did to me,"
he said, rubbing his groin. "I promised then that I'd make them
pay somehow."

After five years in jail, Khun Sa reassembled his army of
about 2,000 men, which the Shan State Army (SSA) had dubbed
the Shan United Army (SUA), hoping to improve the political
image of Khun Sa's brigands. Khun Sa quickly became deeply
involved in the illegal drug trade and, with his subordinate
groups, soon controlled 70 percent of the heroin production to
come from the Golden Triangle refineries. His influence grew
with his power and had soon spread to Thai territory. A sector of
the SUA settled in the Shan village of Ban Hin Taek, eight
kilometers from the Burmese frontier, which they used as a drug
distribution point. Khun Sa claimed to have entered the narcotics
trade as the only means of financing his struggle for Shan
autonomy. However, cynics believed—and continue to believe—
his motivation was purely avaricious.

There are several Shan warlords, the one most closely born in Yunnan and emigrated to the Shan States where he became chief of staff of Jimmy Yang's army of 3,000 men. General Yang, a member of a noble Kokang family, withdrew to Thailand after fighting the Burmese government for three years. The Yang family administered Kokang like a private fief and had organized armed groups at the beginning of 1950. One of the first bandit groups was headed by Jimmy's sister, Olive Yang. Jimmy was in charge of the Kokang Force, which joined the Shan State Independence Army (SSIA) in 1964 and then broke away to cooperate with the KMT. The SSIA was formed after Shan leaders called on a guerrilla expert, Saw Yan Da, from the Tai (Dai) community in Yunnan, to set up a clandestine army. He adopted the name 'Sao Noi' and recruited high school students from Mandalay and Rangoon, forming the rebel group 'Norm Suk Han' on May 21, 1958. He operated in the mountains to the west of Lashio, but this group rapidly split into a number of factions. In 1959, the SSIA was formed from the nationalist-oriented faction, with 90 students and 140 Shan defectors from the Burmese Army.

Lo Hsin Han was captured in 1965, but the Burmese Army subsequently released him to organize a KKY militia. After the defeat of Khun Sa, he became one of the Shan States' main opium suppliers until forced out of the Kokang State by the BCP and made to confront the KMT and General Lee Wen Huan. He tried to rally support from the different Shan. Lo Hsin Han was captured in 1965, but the Burmese Army subsequently released

approaching the stature of Khun Sa being Lo Hsin Han, who was forced out of the Kokang State by the BCP and made to confront the KMT and General Lee Wen Huan. He tried to rally support from the different Shan rebel groups, but withdrew to Thailand when one of his camps was besieged by the Burmese. General Lee Wen Huan then seized the opportunity to denounce him and he was arrested by the Thai police in the Mae Hong Son area in 1973 and handed over—once again—to the Burmese Government. Initially, Lo Hsin Han was condemned to death, but his sentence was later commuted to life imprisonment. Khun Sa was freed the same year and Lo Hsin Han's fall enabled him to regain supremacy.

Other groups, such as the Shan United Revolutionary Army (the SURA, commanded by Moh Heng) and the Wa National Army (WNA) have remained involved in illegal drug activities, but only to the extent of sharing the crumbs that drop from Khun Sa's table. The BCP, on the other hand, has managed to extend its influence over almost the entire Kokang, Wa, and Kengtung States and thus controls most of the high-yielding, areas. Initially, the BCP simply 'licensed' poppy cultivation and allowed the Haw traders to collect opium on Khun Sa's behalf, but later the BCP itself became more directly involved in drug production and trafficking.

Khun Sa enjoys relating stories about his past and, with a great flourish, in a grandiloquent manner he rehearsed to reporters the story of his capture by the Burmese in early 1969. Khun Sa's 500-man caravan, carrying about 60 tons of opium, uncut jade, and other contraband to Houei Sai Village in Laos, came under by reinforced units of the remnant 93rd KMT Division.

The object of the attack was to rob the caravan and break the back of the newly aspiring opium king.

The two factions engaged in a fierce running battle that lasted for several days, with neither side gaining the advantage. They were suddenly intercepted by Laotian soldiers under the command of General Oune Rattikone, commander of the Lao Army.

Both the KMT and Khun Sa's men were attacked by General Oune's Lao infantry forces, which had the aerial support of T-28 planes. While the troops of the two rebel factions fled back into Burma, General Oune and his troops 'confiscated' the contraband. Khun Sa and the KMT lost more than 200 men in the intense fighting. "They thought they had finished me, but I slipped away with several of my commanders," Khun Sa said, smiling.

"But I have friends all over," Khun Sa emphasized, smiling. "Upon my release, and with the aid of influential Thais, I was brought into Thailand to live. While there, I married a Thai, Khin Yoon."

THE MOVE INTO THAILAND

The records show that with his Thai wife's help, he purchased a house at Pattanawet 5, Sukhumvit Soi 71. While under the protection of the powerful Thai friends, Khun Sa made a public statement renouncing the drug trade, although he clandestinely continued to do business as usual. On March 19, 1977, Khun Sa and General Bo Mya, President of the Karen National Union, met at a large hotel in Pattaya where they discussed the political situation and drug trading. "He turned down my proposal to allow drugs to travel

allow the passage of other items, such as jade, with the condition that I pay a tax to him for permitting the transport of such items." While still under the protection of the powerful Thais in Bangkok, Khun Sa stepped up his activities and established a small army at Ban Hin Tack in the Mae Chan District of Chiang Rai Province. The headquarters were forced back into Burma. Having been given ample warning of what was taking place in the north, Khun Sa was able to escape from his Bangkok home and slip back into Burma before the Thai authorities could prevent it.

Life was difficult for the warlord, but only for the short time that it took to regroup and reestablish his authority over several smaller local drug producers. "I continued to strengthen my positions and built several scattered fortresses and bastions. Steadily, the size of the rank and file increased, until it was 6,000 strong. These soldiers, under the leadership of my trusted aides, were divided into numerous smaller units and scattered throughout the Shan State near the Thai border. Refineries were set up and I began the shipment of various grades of heroin."

Khun Sa also ordered a few units to infiltrate back into Thailand and establish refineries there also in order to utilize the superior transportation and communications. The Shan rebels then proceeded to drive several other small, armed rebel groups—including the A-bi hilltribe and the troops of the Chinese Kuomintang Force—away from Doi Lang. Khun Sa's men also established bases on several nearby hilltops on the Burmese side of the border. Thai police and government officials, as well as Burmese

soldiers who were looking for fast and easy money, were bribed and brought into the fold. Business prospered, and tons of heroin were soon being shipped by many means of transportation—mule trains, air planes, ships, boats, couriers—along a myriad of routes through the Far East to reach destinations in Hong Kong, Australia, Europe and America.

RUNNING AROUND OF THE DRUG ENFORCEMENT AGENCY

The American Drug Enforcement Agency stationed at Chiang Mai began increasing the amount of evidence of drug production it provided to the Thai government, disclosures which eventually led to the capture of both factories and couriers. Incensed, Khun Sa ordered a hit squad to kill informants suspected of helping the police. "I want," he said, "to have the monkeys watch while the chicken's throat is being slit." (This is a Thai expression meaning "to intimidate someone by making him witness harm done to another.") He also wanted the agency itself hit, and so he initiated terrorist missions against American officials in northern Thailand. Following Khun Sa's directives, two CIA agents were killed, a move that proved to be a big mistake. Families of U.S. officials were evacuated from the northern provinces to Bangkok for their protection, and the war against Khun Sa was stepped up dramatically.

In 1982 over 2,000 Rangers, border policemen, and a special airborne unit from Thailand's Third Army Region, sealed off the roads to Khun Sa's stronghold on Doi Lang Mountain, which straddles the Thai-Burma border, and attacked. Seven helicopter gunships provided air support and two 105mm artillery pieces were airlifted to a base close to Doi Lang for additional ground

support. It was the first time artillery had ever been used against Khun Sa's guerrillas. Once again, having had ample warning because of the government's overcautious preparations and perhaps being tipped off, the guerrillas pulled back across the border. The Thai troops followed Wa rebels to fight a delaying action. On the Burmese side of the border, 2,000 Burmese troops joined in the attack. Another 800 troops were poised to attack a Shan rebel base at Ban Pong Hai, immediately across the border from Mae Chan District in Chiang Rai. The Burmese forces ultimately engaged rebels of the Karen, Shan, Pa-o, Kayah, Kachin, Muser, and Arakan ethnic minorities along eight battle fronts in Burma facing the Thai provinces of Chiang Rai, Mae Hong Son, and Chiang Mai. Another 20 kilometers of the KNU's porters had advanced to within 20 kilometers of strike. All the rebel forces succeeded in breaking contact, however, and withdrew safely.

But Khun Sa had been hurt. The drug kingpin hastily dumped narcotics from his stock onto the market, gathering money to replace whatever equipment and weapons that had been lost. The payment for his drugs was made in ammunition and rifles, as well as in cash and bank drafts. The elimination of the SUA on Thai soil also forced Khun Sa to set up new bastions, and he has since extended his influence to the border areas adjacent to Chiang Rai, Chiang Mai, and Mae Hong Son. In a few weeks, things were ordered the killings of Westerners, he replied, "Because they

turned on me," he shouted. "At one time, they were my partners—they, the DEA and the CIA, both."

After uniting and absorbing the forces of several hilltribes in the area, Khun Sa requested another meeting with Bo Mya, the leader of Burma's Karen National Union's (KNU) 15,000 men, at that time in its fortieth year of armed struggle against the government in Rangoon. Their intent was to join forces and to allow Khun Sa to transport narcotics through KNU territory in exchange for arms and ammunition. When questioned about the meeting later, Bo Mya denied the allegations and claimed that he had met Khun Sa solely to urge him to stop narcotics production and to try and entice him into the struggle against the Burmese government. The KNU has a reputation for being an opponent of narcotics, instead financing their struggle against the Burmese government by taxing cross-border trade, and by exporting raw materials—mainly minerals and timber—from their 1,000 kilometer stretch of land along Thailand's western border.

Although the KNU leadership is unwilling to disclose the details, it now appears that Bo Mya was approached in the middle of last year and offered financial assistance from abroad in exchange for an opium eradication program. Khun Sa agreed to the total eradication of opium in his territory within six to eight years—if the necessary financial assistance were to be obtained. An old idea had been replanted in Khun Sa's mind.

Once before, in 1977, Khun Sa had approached U.S. Congressman Lester Wolff asking for money in return for his withdrawal from the opium business. "He made no headway then," U.S. embassy official confirms. "Because the United States didn't them, and still does not, engage in talks with a 'rebel' who is engaged in fighting a government that Washington recognizes."

Phra Charnoon urged the United States to lead "damaged parties" (he didn't specify who, but it is understood he meant Phra Charnoon like Khun Sa, whose activities along the Shan border were said to have supplied 60 to 90 percent of the heroin reaching the U.S. and Europe. Phra Charnoon gave an inkling of his plan to former Secretary of State Henry Kissinger during a brief meeting in Bangkok in November, indicating that concerned U.S. officials should come to Thailand for further discussions.

According to Phra Charnoon, Khun Sa proposed to put an end to the outflow of drugs for the price of U.S. "economic assistance" to the tune of US\$95 million a year for six years. To most observers, requesting US\$570 million over a period of six years is a tall order. But for Phra Charnoon, it is not. He argued that the United States already spends much more than that in its war against drug addiction and prevention.

Phra Charnoon does not reject the notion that he is being used as a tool by Khun Sa, but the abbot is convinced that he is working for world-wide benefit, and stresses that there should be a common concern about reducing the availability of drugs. "Khun Sa is serious about his proposal because of the pressures of need." Abbot Charnoon emphasized. Some 3,500 men in the Shan United Army are addicted to drugs, with the rest of the population under his control awaiting certain death if Khun Sa does not wipe the slate clean. Worldwide pressure on Khun Sa is fighting among the rebel groups are both threats.

His feet now on firmer ground in Burma, Khun Sa turned his eyes to Laos in 1982, seeking another ally in the person of Kaysoone Phomvihane. The Lao government, under the leadership of Kaysoone Phomvihane, has been a major narcotics peddler since at least 1977, with Kaysoone and his regime having poured huge amounts of heroin, morphine, opium, and marijuana onto the world markets. Except for a handful of Thai intelligence and anti-narcotics officials, the only members of the international diplomatic community ever to publicly criticize the Laotian government has been the United Nations. Disclosures by both the Thai and foreign press have occasionally forced Laos to change its methods of operation, but they have never forced it to close down.

Khun Sa's request for help from the Lao government met with success, although many of the details of the Khun Sa-Kaysoone alliance are unknown, and Khun Sa refuses to elaborate. But clearly the small, tight Communist politburo in Vientiane is in collusion with the notorious Khun Sa. The Burmese-Chinese drug warlord receives both support and protection from Vientiane, and has moved most of his factories into Laos. In one of its first administrative announcements in 1976, the new People's Republic legalized the growing of poppies. Exactly when and how Kaysoone and his cohorts became drug dealers is murky and—barring a major defection or an overnight rebellion against the communists which might expose incriminating documents—will remain so.

The Kaysoone-Khun Sa alliance is at first glance curious, if not incongruous. It mixes a Vietnamese-trained, Marxist-Leninist

warlord with an outlaw warlord sporting a \$25,000, dead-or-alive reward on his head. As in most strange marriages, however, there are advantages for both partners. For Khun Sa, whose main business is selling heroin, the alliance offers another source of raw materials and a sanctuary in which to make the drug. After establishing himself in his new surroundings, his first priority was to move several factories already in operation from Vientiane to the province of Sayaboury. These refining operations now about a stream that a few miles downstream turns into the mile-wide Mekong River. The move of the operation, ironically, provided Laos with even more opportunity to move in on another growth industry—marijuana smuggling. The cover story for the world is that it is merely a centuries-old tradition in Laos to use marijuana as a cooking spice.

In 1985, Mo Hein, chairman of the TRA, and Khun Saeng, who is Khun Sa's uncle, held discussions which led to another alliance. They formed a new party, the United Shan State Patriotic Council (USSPC), in September 1987. The Mo Hein political philosophy has declared itself to be in opposition to the Burmese government, the Burmese Communist Party, and narcotics trafficking. These goals have been proclaimed as the official USSPC ideology. Mo Hein's role in the USSPC appears to be little more than a figurehead, and naming the TRA leader as president of the alliance was clearly a sop to his well-known ego. Real power—control of the council's finances—was retained by the dominant partner, Khun Sa, who immediately proclaimed that his current right-hand man, Chang Hsueh, would succeed him if he should be assassinated. Khun Sa also stated that in 1987 Russian officials had approached him with an offer of

military material and men, but he turned them down because he disliked Communism.

Khun Sa claims to have over eight million people under his domination in six 'provinces' of the Shan State, the southern extremes of which border the Thai provinces of Chiang Mai, Chiang Rai, and Mae Hong Son. He declined to state the strength of his Shan United Army, but it is estimated to be anywhere between 6,000 and 8,000 men. The Shan State itself is not a major grower of opium but rather buys the raw material from others in the Golden Triangle, and then processes it into heroin. According to field sources, Khun Sa's supply comes mainly from Burmese Communists, who tend poppy fields east of the Salween River close to the southern Chinese province of Yunnan.

KHUN SA, THAILAND AND THE U.S.

Khun Sa readily confirmed that retired U.S. Marine Corps Lt-Col. James "Bo" Gritz had made several trips into the Shan State seeking assistance from him while searching for Americans missing in action during the Vietnam War. Khun Sa stated that he thought Gritz would be able to relay his offer to high officials in the United States.

But Gritz had no success when he told the House Foreign Affairs Panel, under oath, that the Thai Government had built a road that would boost the flow of narcotics from the kingpin's Shan territories. The maverick MIA-searcher emphasized to the panel's International Narcotics Control Task Force that Khun Sa's Shan United Army would no longer have to rely on mule and pony caravans to get the drugs out. The road, capable of accommodating 10-ton trucks, was ironically built by the Thai Government.

Khun Sa, the Heroin King

taxpayers' money spent on the drug suppression program in Southeast Asia. Despite hundreds of millions of dollars of U.S. suppression funds, Gritz testified, Thai officials countered that Gritz's allegations were groundless and insisted that the government was determined to stamp out the drug trade. In his testimony, which was based on disclosures by Khun Sa, the former Green Beret accused several United States officials of involvement in the opium trade, linking them to a covert CIA operation in the region. Among the officials he named were CIA operatives Jerry Daniels and Theodore Shackley, who were responsible for covert operations in Asia; Richard Armitage, the Assistant Secretary of Defense for International Security, who worked in the Defense Attache's office in Saigon between 1973-75; and Daniel Arnold, a former CIA station chief for Thailand and Laos.

Gritz stated that Khun Sa's ledgers showed that the U.S. intelligence community became an active participant in drug smuggling—in order to fund covert operations. When the Thai Government came under criticism from the United States in 1987 for lacking enthusiasm in its war against Khun Sa, certain Thai elements which profit enormously from the opium trade appeased Washington. Khun Sa agreed to let Thai officials visit the border for a Fort Benning-style "map minute" for press purposes so the Thais could claim they were doing their part in fighting him.

return, the Thai officials had to build the road for Khun Sa.

To do this, they used gigantic earth rippers and moving equipment that had been left in Thailand by the Americans at the end of the Vietnam War, bulldozers which can hack roads through the densest jungle. The road was carved over mountains and through a forest rich in teak. Teak had become very valuable in Thailand due to its scarcity, and the thousands of logs stacked up waiting to be marketed meant a huge bonus for the officials.

Throughout his testimony, Lt-Col. Griz presented himself as the carrier of a message and an offer from Khun Sa to the United States. According to Griz, Khun Sa was not comfortable with the present conditions of the drug trade into which his people had been forced for their survival. The Shans needed to grow opium to fund their defense against the constant warfare being waged against them. If the fighting could be stopped, the Shan people could return to more normal methods of economic development. Khun Sa proposed that if the United States gave the Shans support, both morally and through treaty obligations (by which he means, basically, money), he would guarantee the eradication of opium production in the Golden Triangle. The support, Khun Sa argued, did not have to be military, but could be political and educational.

No one on the committee took the proposal seriously, though perhaps they should have since Griz's statements were—and are—not far off the mark. Instead, Griz was subsequently investigated for a passport violation. A congressional source said that Griz had lacked credibility on the MIA issue, and that his interpretation regarding the narcotics situation was no more credible. At least one committee staffer, however, declared Griz's allegations were very serious and said that the task force should investigate the road.

DRUG MOVEMENTS

Thailand is positioned geographically so that it contains ideal routes for the transport of heroin from its mountain origins to jump-off points for the work hard to intercept and destroy any drugs being transported through the country, but the flood is overwhelming. Over the past several years, narcotics produced in the Golden Triangle have been expedited on their way around the world. In Thailand the major drug kingpins behind the trafficking are mainly Chinese Haws and Taichews who have been naturalized while living in Bangkok. About one hundred of these affluent immigrants are believed to be financial backers for the illicit trade.

Opium, morphine, and heroin leave Thailand by mule train, air, car, and railroad. Bangkok International Airport provides the major avenue for air transport to Europe, America, Australia, and other parts of Asia. Land routes used for transportation to Malaysia pass through Songkhla, Narathiwat, and Yala Provinces, while shipment by sea starts at the port of Klong Toey in Bangkok. More drugs are sent north by packtrain into the southern Chinese province of Yunnan. From there, the drugs move over China's relatively good road, air, and rail networks to the ports of Canton and Hong Kong, some 2,000 kilometers away. It is generally believed that Beijing's official policy is to crack down on narcotics smuggling, but sources in Thailand, who asked for anonymity, said there is substantial evidence that officials at various levels in Yunnan allow the movement of drugs from Burma. Bribing local authorities is very easy in the Far East, and the exploitation for drug trafficking is widespread. Hence, authorities throughout Asia seize only a minuscule percentage of the flow.

Heroin is slashed in hollow places specially built in automobiles to escape the eyes of authorities, making it hard to detect the drugs unless the officials have been tipped off in advance. Drugs have been hidden in furniture, orchids, canned foods, bales of raw rubber, and fresh fish; they have been packed in condoms and swallowed or hidden in body orifices; they have been worn in pouches under clothing and girdles. Drugs have been hidden in vases, clocks, boxes of chocolate, and candy—you name it and it has been tried.

Buyers trust the quality of heroin according to its brand name. Brand names also determine profitability. Most of the brand names being traded today come from Khun Sa's factories.

most of which are now in Laos, opposite Thailand's Chiangsaen District. The following are some of the more famous—or infamous—brands that have been seized by the Thai police:

Super 100% (No. 1): This is Khun Sa's brand, certifying that the product is manufactured at Ta Khee Lek in Laos. The lettering and artwork on the packaging of this brand is all red. The two upper corners bear a circle with a deer's head, while the two bottom corners each bear a circle with a tiger's head. The word "super" is written within the enlarged "1", above "100%".

Crouching Lion: The flaming red package shows a crouching lion within a circle. This brand also comes from Ta Khee Lek in Laos and is produced by Mooser tribes under the control of Khun Sa.

A pair of rabbits with mountains in the background: This signifies the origin of the product as from the Shan State, also another brand of Khun Sa's. "Guaranteed 100%" is written in English across the top, and "Yong Yee Product" is written at the bottom. A pair of green rabbits face each other in the center, with mountains in the background.

A pair of lions with a globe: A couple of red lions are holding a blue globe. Written at the top is "Good Luck to You", while the bottom carries Chinese characters. This brand is produced in Burma by Khun Sa.

Other brands which are not Khun Sa's, include, but are not limited to: *Super No. 1, 100%; Red lion holding globe; Two lions holding a Roman-style helmet; Dragon; Lucky Strike (both the name and trade mark stolen from the American cigarette); Lion; Flying Horse; Cards; Chinese Alphabets; and, Panda. Panda* is the original brand introduced and made notorious by two of the region's drug traders, Lo Chin Han and Lo Chin Ming.

THE WORRISOME FUTURE

A MIXED PROGNOSIS

Worldwide opium production increased in 1987, with the largest percentage of increases in the Golden Crescent and Mexico. Afghanistan increased production, bringing the Golden Crescent totals to a new range of between 735 and 1,360 metric tons.

Opium production increases in tribal areas currently outside the control of the Government of Pakistan (and not yet covered by its ban on poppy cultivation) nearly offset significant reductions in Government-controlled areas where enforcement has been effective. Pakistan has, however, begun to employ aerial spraying to destroy poppies in specific areas under its control; it is hoped that this modern eradication method will yield encouraging results. Heroin abuse in Pakistan has grown significantly since 1980; there are now an estimated 660,000 Pakistani addicts.

Enforcement in Pakistan is still weak and must be strengthened if trafficking is to be stopped.

In Southeast Asia the rate of increase in opium production was not as sharp; although the region continues to be the world's largest opium producer, cultivating between 1,095 and 1,575 metric tons. Thailand's opium cultivation has been significantly curtailed over the past several years, though Thailand is still of concern to the United States as a conduit for heroin. Burma has also sought to destroy opium through aerial eradication, successfully eradicating over 16,000 hectares in 1987. In addition, Burmese law enforcement and military officials have launched an effective campaign against laboratories and drug caravans.

Drugs, the U.S., and Khun Sa

When Lao Su (whose aliases include Su Wan Ho and Wanko Sae Wan), a former subordinate of these early drug kingpins, set up his own manufacturing facilities, he used the Panda brand for his products. The brand remains famous among drug users, and it sells as briskly as it did in earlier days.

Whether Khun Sa's statement that he will increase production to 1200 tons this year is true or not, more and more drugs are appearing on the scene around the world. 1,280 kilos of heroin were seized at Bangkok's Klong Toey Port in February 1988. The largest seizures on record have taken place in Hong Kong, Spain, Australia, Los Angeles, Miami, and New York. Several Thai policemen, soldiers, and politicians have also been apprehended with drugs.

Maybe Gritz's story of Khun Sa's offer is true. After meeting Khun Sa, I could believe it. But whatever the case, the fact remains that vast amounts have materialized around the world. Khun Sa is a shrewd and conniving person—a survivor—and is not averse to manipulating anyone whom he feels can help him. Maybe, just maybe, the man with the highest price tag on his head in the history of Thailand has kept his word. Maybe he has doubled the production of heroin in the Shan States.

But, conversely, it now appears that opium production in Laos is continuing unchecked and may be sanctioned by some officials of the Lao Peoples Democratic Republic. A surprising increase in opium production has recently occurred in Mexico, where new estimates place production, though to be between 35-50 metric tons in 1986, at a higher range of 45-55 metric tons—even after eradication in 1987. The 1987 eradication totals are less than those of 1986, which was considered insufficient to seriously decrease heroin supplies to the United States. Thus, it remains a loss-up between Mexico and Burma as to which is the largest single-country supplier of heroin to the United States.

OPIMUM AND HEROIN

The countries of the Golden Triangle (Thailand, Burma, and Laos) will produce an annual opium crop estimated in excess of 1,400 metric tons in 1988 and 1989, the bulk of it coming from Burma and Laos. Until the recent change of government in Burma, significant gains had been made in aerial eradication programs, which had expanded every year since being introduced in 1985. Supported by U.S. Government funding for aircraft, equipment, and training, this spraying program allows the Socialist Republic of Burma to reach previously inaccessible cultivation areas controlled by anti-government insurgents. Thailand's opium production continues to decline due to the government of Thailand's effective crop control policy. The U.S. FY 1988 budget provided funding to help the Royal Thai Government further reduce opium poppy cultivation by continuing "bridge" assistance to farmers who agree not to cultivate or

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The opium production in Laos will continue to pose severe problems because cultivation and trafficking are expanding. Notwithstanding the absence of U.S. Government narcotics control programs in Laos, U.S. Government officials will continue to raise the issue of opium and marijuana control with Lao officials in both bilateral and multilateral forums.

Worldwide opium production increased in 1988 as well, with the largest percentage of increases occurring in the Golden Crescent (Pakistan and Afghanistan) and Mexico. Afghanistan escalated her production rapidly, bringing the Golden Crescent totals to a new range of between 735 and 1360 metric tons. Opium production increases in tribal areas currently outside the control of the government of Pakistan and not yet covered by its ban on poppy cultivation nearly offset significant reductions in government-controlled areas where enforcement has been effective.

Pakistan has, however, begun to employ aerial spraying to destroy farmers' poppies in specific areas under its control; it is hoped that this modern eradication technique will yield encouraging results. Heroin abuse in Pakistan has grown significantly since 1980; there are now an estimated 660,000 Pakistani addicts. Enforcement and investigation procedures in Pakistan are still weak and must be strengthened if heroin refinery activity and heroin trafficking are to be stopped.

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TRAFFICKING ORGANIZATIONS

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One disturbing development in the worldwide marijuana situation was the evidence that the United States itself was a strong third place in marijuana production in 1988, behind Mexico and Colombia. During 1988, it was apparent that major drug trafficking networks continued to wield extraordinary power and influence, particularly in Latin America and Asia. Trafficking organizations-

Increases in Southeastern Asian cannabis were also evident during 1988, but there are no definitive data on the amount of cannabis cultivated in the major producing countries in the region, Thailand, Laos, and the Philippines. The U.S. Government is continuing to encourage the Royal Thai Government to eliminate its crop, which because of its high quality, commands a high price on the international market.

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While Colombia was again successful in eliminating a large portion of the marijuana cultivated in traditional areas, reports in late 1988 indicated a significant increase in cannabis cultivation in non-traditional areas near the Gulf of Uraba and in the San Lucas Mountains. Net marijuana production in Colombia ranged in the area of 3,435 to 7,760 metric tons.

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Foreign (outside the U.S.) marijuana cultivation increased, after eradication, by 25 percent during 1988, with more than half the increase occurring in Mexico and Colombia. Total production in countries supplying the U.S. market was in the range of 10,930 to 17,625 metric tons. Despite significant gains in marijuana eradication and seizures in source countries, marijuana

MARIJUANA

The surprising increase in opium production was in Mexico, where new estimates place opium production, thought to be between 35 to 50 metric tons in 1986, in a higher range of 45 to 55 metric tons even after eradication in 1987. Figures for 1988 are as yet not available, but appear to have increased significantly. The 1987 eradication totals are less than those for 1986, which were not considered sufficient to have an impact on heroin supplies in the United States. Mexico thus remains the largest single-country supplier of heroin to the United States.

over the past several years through Thailand to sell of cocaine to the United States and Europe, however, as a result was the heroin. Burma has also sought to destroy opium plantations through aerial eradication and succeeded in eradicating over 16,000 hectares in 1987. In addition, law enforcement and military officials have launched an effective campaign against laboratories and heroin caravans. Unfortunately, 1988 saw an uprising against the unpopular government and because of the rebellion, all government efforts have ceased for the present. It appears that opium production in Laos continues unchecked and may be sanctioned by some officials of the Lao Peoples Democratic Republic.

tions are well-armed, well-manned, and well-funded. As indi-
 cate, traffickers will stop at nothing to protect their profits.
 Many countries seem to be unable, or unwilling, to take a
 stand against major drug traffickers. The extradition of a major
 trafficker, Carlos Lehder, to stand trial in the United States was
 hailed as a courageous act, but subsequent events in Colombia
 such as the *de facto* nullification of the extradition treaty and
 the release of Jorge Ochoa, set back international efforts to bring
 major traffickers to justice. Despite assurances to the contrary,
 Colombia has not yet acted affirmatively to extradite any more
 major traffickers to the United States. Moreover, Bolivia has not
 yet arrested a major cocaine trafficker. In Mexico, trials are
 underway for the murder of DEA agent Enrique Camarena and
 the torture of DEA agent Victor Cortez. Over sixty individuals
 remain in jail as part of the Camarena trial.

It is clear that better intelligence and stronger legal and
 judicial systems are necessary if producing and trafficking coun-
 tries are going to do battle with major traffickers. While extradi-
 tion is a critical tool in efforts to bring traffickers to justice, it still
 remains in the interest of all countries to arrest, prosecute, and
 imprison traffickers operating within their borders. Extradition
 cannot substitute for domestic political will and effective law
 enforcement.

There is a need for the United States to increase assistance to
 Latin American and Asian governments, particularly in the
 dismantling of major trafficking networks. Such aid must be
 done regionally as well as on a country-by-country basis, since
 traffickers are operating with impunity in many Latin-American

countries. It is possible that the United States will have to face the
 fact that, until it provides intensified military and paramilitary
 assistance and reviews the specific issues of providing weapons
 and ammunition to Latin American governments, the war against
 traffickers will be a hollow one.

The draft by the United Nations Convention on Narcotics
 nations deal with trafficking networks more effectively. And in
 1987, the U.S. Government offered its first rewards under the
 Omnibus Drug Act of 1986. The Act authorizes payment of up to
 \$500,000 per case (possibly smaller awards totaling \$500,000)
 for information leading to the arrest and conviction of drug traf-
 fickers. It is hoped that this incentive will produce high quality
 information which will result in the dismantling of trafficking
 organizations.

International drug trafficking is a complex and decentral-
 ized system, amorphous and infinitely variable. The system is
 flexible, operating differently in various cultures and capable of
 responding rapidly to enforcement pressures.

Traffickers run the gamut from individual entrepreneurs to
 tightly run, highly disciplined, well-financed organizations. At
 one end of the spectrum is the individual who crosses a border to
 purchase drugs, either for personal use or for resale in a local
 market. At the other end are organizations that own or lease fleets
 of airplanes and ships for transporting large quantities of drugs
 from one country to another. In between is a full continuum of
 individuals and organizations, including terrorists and insur-
 gents. Those responsible for smuggling opium, and cannabis
 products from one country to another generally specialize in a
 particular drug.

Although drug trafficking organizations vary considerably, they share several characteristics that enable them to succeed and survive. The leaders pay their underlings generously, and they usually provide continuing support for those who are arrested, including caring for their families. This same pattern extends to people who live in the areas where the organization is based, or where its processing activities are conducted. Thus, drug traffickers are frequently viewed as local heroes, particularly in impoverished areas.

When loyalty ends, however, the veil of good will drops quickly. Any member of the organization who violates the code of secrecy, or cheats, or informs on the organization, is threatened with death. In those instances where retribution cannot be taken directly, vengeance is commonly directed against family members.

LAUNDERING AND RECYCLING DRUG MONEY

At the lower echelons the drug economy runs largely on cash, and therefore the system handles huge amounts of currency, moving out of the consuming countries to support the production, processing, and transport of drugs—not to speak of profits for the boss. Laundering is the process of transforming this cash into a more manageable form while concealing or obscuring its illicit origins—a vital component of drug trafficking operations. Laundering schemes disguise the true nature of drug-derived money, making it appear legitimate; such schemes also provide the means of financing drug production and trafficking ventures. The laundering process typically involves using foreign bank accounts and a series of intermediate money shelters, such as dummy corporations, which provide plausible explanations

U.S. GOVERNMENT POLICY

Section 2005 of P.L. 99-570 of the Anti-Drug Abuse Act of 1986 requires that, at the start of each fiscal year, certain kinds of assistance be withheld from major illicit drug producing and major drug transit countries, pending certification by the President of the United States by the following March first. The law requires the President to certify every major illicit drug producing country or major drug-transit country which cooperated fully with the United States in the previous year, or took adequate steps on its own to eliminate or reduce (1) illicit drug production, (2) trafficking, and (3) money laundering operations. Alternatively, the President may certify countries that would not qualify under these terms on the grounds that the national interests of the United States require the contingent provision of foreign aid to such countries. Or, the President may deny certification, causing

Statutory sanctions to be imposed.

Section 481(h)(2)(A) of the Statement of Certification requires that the President certify to the Congress whether major drug producing and drug transit countries have "cooperated fully" with the United States, or taken adequate steps on their own, with the United States in regard to preventing drug production, drug trafficking, and drug-related money laundering. In weighing recommendations on certification to the President, the Department of State has looked to the law, before and after amendment P.L. 99-570, for guidance in determining the criteria for "cooperated fully".

Section 481 (h)(3) requires that the President, in making certifications of cooperation, shall give foremost consideration to whether the actions of a particular government have resulted in maximum reductions in illicit drug production, as assessed by the State Department. The President must also consider whether the government has taken legal and law enforcement measures to: (1) enforce to the maximum extent possible the elimination of illicit cultivation and to suppress illicit manufacture and trafficking (as evidenced by seizures, and arrest and prosecution of violators), and to (2) eliminate to the maximum extent possible the laundering of drug-related profits as evidenced by enactment of money-laundering laws, willingness to enter into MLATs, and other cooperation on money laundering.

In considering the past performances of foreign countries seeking aid, the President is also required to critically view any programs and actions that were planned for 1988 and beyond. This two-year appraisal of likely future action is especially important when considering possible remedial actions. However, use of such terms as "cooperated fully" is not

introduce great scope for interpretation. Moreover, there are precedents for interpreting "total" so that full cooperation can be accorded in particular circumstances. The precedents lie in earlier amendments to Section 481, which from 1971 until 1983 made reference to "adequate" cooperation. Section 481(f) requires consultation with the Congress on country determinations and specifies that such consultation shall *inter alia* include consideration of: (1) the nature of the illicit drug production problem, and (2) the climatic, geographic, political, economic, and social factors that affect illicit drug production. Thus, Section 481(f), introduced in 1983 the concept of "cooperation" and "maximum achievable reductions" as being variable, a result of numerous factors including relative capability to achieve narcotics suppression objectives.

There are, then, many gray areas in the recommendations on certification. It has been found that the programs of some countries could not keep pace with traffickers' efforts to expand cultivation, but those countries adopted new programs or strategies and added new resources to increase their potential reductions. Other countries, including several with well-established programs, could and should have done better. A large number of countries must do more to curb narcotics related corruption before the traffickers overwhelm governmental efforts. Virtually every country can, and must, do more to arrest and prosecute "major" traffickers and destabilize networks. For the second year in a row, the Department of State has asked Congress for further guidance on what constitutes a "major" drug-trafficking country or a "major" money-laundering country. Production-related definitions of "major" quantitative, using numerical standards of the statute; but there is no similar

numerical basis in law for trafficking and money laundering. What weight should be given, for example, to whether a country is directly or indirectly involved in transit? Or whether the contraband is intended for markets other than the United States? The statute makes it clear that there is a definite linkage between provision of foreign assistance and positive performance on narcotics control. The law requires that half of certain kinds of economic and military assistance be withheld pending certification by the President. If the President fails to certify a major producing or transiting country, or if Congress disproves that certification, the law mandates the suspension of the remaining half of economic and military assistance as well as most other kinds of assistance. Moreover, the United States could oppose new or extended loans to such countries from, for example, multilateral development banks. Further, at Presidential discretion, the U.S. could impose a variety of trade sanctions. The State Department must submit to the President a Presidential Decision Memorandum which contains recommendations to certify (or to refuse to certify) for major drug producing and drug trafficking countries. The President's certifications are subject, as specified by the 1987 amendments, to Congressional approval by a vote of both houses within 45 legislative days. A report intended to help the President in making his decision is prepared by the Department of State's Bureau of International Narcotics Matters (INM) in consultation with other agencies such as U.S. Embassies, the Drug Enforcement Administration (DEA), the Federal Bureau of Investigation, the Central Intelligence Agency, Defense, Treasury, and others. As required by law, the Departments of Justice, Defense, Treasury, and Health and Human Resources, as well as the Agency for International Development

comments and recommendations on the State Department's report and must meet with members of the Committee on Foreign Relations and the Committee on Foreign Affairs to review worldwide illicit drug production and to assess the policies, programs, and roles of the United States Government in preventing the entry of illicit narcotics, psychotropic drugs and other controlled substances into the U.S. In accordance with the Senate amendment to the State Department's 1988 authorization, the report must contain specific comments and recommendations by the DEA, the Customs Service, and other enforcement agencies. INM's FY 1989 Congressional Budget Presentation (which provides details on regional and country strategies, budgets, and programs) must also be submitted separately to Congress. In 1988, while reviewing the last year's performance, field personnel saw some grounds for optimism in international narcotics control efforts, but the year ended with the realization that narcotics traffickers organizations remain very strong in certain Latin American countries, particularly Colombia. While international commitment to narcotics control seemed to intensify during 1987 as manifested at the United Nations International Conference on Drug Abuse and Illicit Trafficking (ICDAT) which was held in June, drug production and trafficking remain big business and drug abuse levels all over the world continue to rise. Efforts of nations around the world to stop narcotics production and trafficking were undermined by corruption of government officials and law enforcement officers, intimidation and violence, and by the stark fact that nations are outmanned, outgunned, and outspent by narcotics criminals. Several factors which the United States Government has little or no control over are evident and made 1988 a discour-

aging but not hopeless year in international narcotics control. The high and many countries increasingly looked towards bolstering their eradication campaigns as a relatively efficient way to reduce the supply of illicit narcotics. In 1987, twenty-three countries (of which Burma and Thailand are the only Southeast Asian signatories) joined the United States in attempting to eradicate their crops, destroying 283 metric tons of opium, 5,046 metric tons of coca leaf, and 17,585 tons of cannabis. These figures represent four times the amount of opium that reaches the United States after being transformed into heroin, three times the amount of marijuana consumed in the United States, and one-seventh the amount of coca leaf required for conversion into cocaine consumed by American users.

For the first time ever, Bolivia embarked on a voluntary coca eradication program and by the end of 1987 over 1,000 hectares had been destroyed. Jamaica made significant inroads against its marijuana crop by adopting an eradication program which employed both manual and chemical eradication. And Pakistan announced its decision to employ chemical eradication as evidence of its commitment to eliminating the opium poppy.

However, other developments in 1987 also proved frustrating. While eradication gains were made in Bolivia during 1987, coca cultivation continued to increase, with even greater expansion in Colombia. Worldwide opium and marijuana totals were also up. Some countries, such as Laos, Iran, Syria, and Afghanistan, continued to profit in varying degrees from narcotics cultivation, thereby reneging their obligations to the world community. Colombia's bold decision to extradite Carlos Lehder to the United States to stand trial in February, 1987, was over-

by the Colombian Supreme Court's *de facto* nullification of the 1979 extradition treaty and, further, by the December 1987 release of Jorge Ochoa from a Colombian prison. Colombia has, so far, been unable to successfully try and convict any major drug trafficker. The murder of Colombia's Attorney General in 1987 is yet another graphic illustration of both the drug traffickers' power and their fear of extradition.

Despite some positive gains in Mexico and Pakistan in 1988, both countries produced as much opium as they had in 1987. Heroin trafficking in both countries, coupled with the problems of interdicting cocaine shipments in Mexico, limited the United States' success in containing the supply of illicit narcotics. One of the most vivid lessons learned during 1988 is that current eradication programs, while essential, are insufficient to reduce the worldwide supply of narcotics. While eradication remains the most efficient and cost-effective means of eliminating narcotics crops, at current levels of activity this technique cannot solve the problem. It is becoming increasingly necessary to complement eradication programs with enforcement programs and intensified interdiction in order to put pressure on links in the trafficking chain.

Thailand's 1987 opium production increased slightly, although the total is still below levels of earlier years. However, Laos and Burma have more than compensated for Thailand's recent decline as a major opium producer. Colombia has been successful in eliminating major portions of its marijuana crop in traditional growing areas, but the most recent (late 1987) data indicates cultivation has increased in non-traditional growing areas. Colombia's experience in 1988 demonstrates that traffickers will replant, often increasing the crop when their profits are

threatened by extensive eradication and interdiction campaigns. In forging a far-reaching, effective inter-agency strategy to reduce the supply of international narcotics, INM worked with other government agencies during 1987 to construct a strategy and a five-year implementation plan to address international narcotics control problems. The NDPB strategy incorporates five critical components: eradication, enforcement, development assistance, public relations, and training.

This strategy, designed as a flexible plan which can be adjusted to take advantage of unforeseen opportunities, sets forth six major policy goals. Each goal is supported by appropriate program objectives, targets of performance, milestones of activity, and measures of effectiveness. The six goals are:

- (1) Reduce the amount of cocaine shipped from Latin America to the United States through an integrated program of narcotics control. This goal could be accomplished by reducing levels of coca cultivation by 50% by 1993; however, this will be virtually impossible unless Latin American governments can be satisfied that there is a safe and effective herbicide—only then will they decide to use herbicides against the coca crop. The NDPB strategy also recommends that U.S. explores ways to strengthen the legitimate economies of Latin America by providing additional Economic Support Funds and Military Assistance during the following five years. Strong emphasis is placed on intensified interdiction operations within host countries bolstered by U.S. Government training and equipment.
- (2) Reduce the amount of heroin shipped from Asia and Mexico to the United States through an integrated program of narcotics control, basically by expanding programs already in place. What is needed is to make better estimates of production,

- (3) Reduce the amount of marijuana entering the United States from worldwide sources through an integrated program. Better crop estimates and verification of eradication are needed. The United States Government also urges countries to use herbicides in marijuana eradication campaigns. However, safe herbicides must be found so as to prevent contamination of food crops and to prevent dangerous side effects to local people.
- (4) Discourage public tolerance of illicit drugs and stimulate support for effective narcotics control worldwide through public relations initiatives. This will be possible only after nations—and their peoples—recognize the global dimensions of the drug menace and see it in their best interest to intensify their anti-drug efforts. The United States is willing and will work with other governments to achieve this goal. But she must also have to demonstrate that she is seriously addressing her own internal drug problems. Perhaps the best way to eliminate the trafficking problems is to increase penalties, changing present laws that treat traffickers with kid gloves. (For example, Malaysia's penalty for those who traffick in heroin above a certain minimal limit is death and subsequently instances of trafficking in Malaysia have dropped considerably, to less than 1% of the world total.)
- (5) Eliminate major trafficking networks and cartels through increased seizures and arrests, prosecutions, and forfeiture of assets. This critical goal can be accomplished through elimination of money laundering, strengthening of countries' legal and judicial systems, development of an effective legion of informants.

mant, and adoption of more effective international tools to be used against trafficking networks.

(6) Secure increased international cooperation in world-wide narcotics matters through diplomatic and program initiatives. By stressing the importance of international and regional cooperation, the United States hopes to engage a greater number of countries in narcotics control efforts. The U.S. Government is also committed to urging other developed nations to condition their own foreign assistance upon positive performance for narcotics control, as well as increasing their commitment to multilateral narcotics control efforts, such as the United Nations Fund for Drug Abuse Control. The U.S. Government is urging the United Nations to "certify" that countries are cooperating in narcotics control using the UN's own annual assessment of the world narcotics situation. The United Nations can and must take a more active role in drug reduction efforts rather than the largely passive role she now undertakes.

Control of cocaine has been designated the top control priority, and thus the bulk of U.S. Government anti-narcotics resources are currently dedicated to eliminating coca and interdiction cocaine. It is critical, however, to recognize that an exclusive focus on cocaine will most likely result in slackened attention to heroin and marijuana production and trafficking; therefore, the U.S. should be cognizant of this secondary consequence as it considers plans and resource allocations over the next five years. Much of this hopeful strategy can be realized if drug production and trafficking nations exhibit the necessary political will. In some cases this is possible without any additional U.S. financial assistance or hardware. In other countries, however, the necessary political will may not be forthcoming unless the U.S.

commits additional critical resources, e.g., aircraft, economic support, and military funds. This is particularly true in Latin America, where an additional \$200-300 million in economic support may be necessary.

REDUCING DEMAND

According to the International Narcotics Control Board, "Too little is known about the actual extent of drug abuse, patterns of abuse, and shifts in such patterns. Periodic epidemiological surveys are essential to devising effective demand-reduction programs targeted at high risk populations." They also are essential in determining how effectively existing demand-reduction programs are working.

For many years, the United States has collected data to monitor the nature, extent, and public health consequences of drug abuse. Two national surveys accomplish this: the National Household Survey, which has been repeated every two to three years since its inception in 1972, and the High School Senior Survey, conducted annually since 1975. The results of these surveys, combined with reports from hospital emergency rooms and from medical examiners on drug-related deaths, provide a broad perspective on drug abuse trends and their public health consequences.

As result of many millions of dollars of extensive and sophisticated research, the United States knows that the drug abuse epidemic that began in the mid-1960s reached its peak in 1979. With the notable exception of cocaine, a drug which has found great approval amongst the middle- and upper-classes, drug abuse in the U.S. has decreased or remained steady since

then, the number of heroin addicts appears to have stabilized at half a million, and there are fewer new users. However, heroin-related emergency room admissions have increased sharply, probably as a result of a torrent of crudely processed but highly potent "black tar" heroin from Mexico.

AWARENESS AND PREVENTION PROGRAMS

Public awareness is critical to the success of demand-reduction programs. Its purpose is to make the public understand the dangers of drug abuse and to mobilize public participation in the war against drugs. Such programs can be quite effective in creating a climate which discourages illicit drug use. In the past five years, the United States has been the scene of a massive public awareness campaign focussing on the effects of drug abuse on families, schools, the economy, and public health and safety. During the late 1960s and early '70s, drug use was tolerated by significant sectors of U.S. society. That has changed dramatically. In a 1986 survey sponsored by the National Institute on Drug Abuse (NIDA), 98% of those queried considered illegal drug use to be an important national problem; 73% described drug use as "one of the most serious problems facing the country," while only 2% considered it unimportant. A number of other countries have also undertaken comprehensive and effective public awareness campaigns, including Malaysia, Burma, Egypt, Nigeria, Thailand, Australia, Hong Kong, Pakistan, Jamaica, Belize, Peru, Columbia, Paraguay, and Bolivia.

One effect of a successful awareness program is to encourage citizens to take direct action against the problem. Although it is important that the government be encouraged to address the

On a more fundamental level, researchers are probing deeply into the brain to discover the sites where compounds such as heroin, cocaine, marijuana, and other addictive drugs produce their euphoria—and other effects. In the past two decades, scientists have learned a great deal about specific cell types, called receptors, that are targeted by molecules of the addicting drugs. In occupying these receptors, the addicting compounds

There is a great variation in users' responses to cocaine. Some individuals are unusually sensitive to cocaine and are prone to overdose after consuming very low quantities. "Crack" is also popular with the middle class. In one study, more than 25% of patients admitted to a Chicago treatment program were college-educated and employed in professional or managerial positions. Twenty-two percent required treatment although they used cocaine only about three times a week. Unlike heroin abusers, as many as 75 to 80 percent of whom have suffered past psychological problems, 90% of the cocaine addicts showed no underlying States have greatly increased in the past two years, with much greater recognition of the hazards of cocaine use, and a tarnishing of the glamorous image formerly associated with cocaine.

Stimulants other than cocaine, such as cathinone (*khat*), caffeine, amphetamines, phenylpropylamine, and phenylpropanolamine, are also subjects of NIDA research. It is now known, for example, that many drugs containing amphetamines deplete important naturally occurring substances called neurotransmitters that are involved in modifying moods and other behaviors. Hallucinogenic drugs such as lysergic acid derivatives (LSD), phenylethylamine (PEA), and inhalants (including chemicals found in gasoline, cleaning fluid, paint thinner, and aerosol sprays such as room deodorizers) produce markedly distorted perception and thinking. Some of the behavioral changes that take place with drug, in addition, inhalants (as well as other abused drugs) can cause brain and nerve damage, and permanent injury to the liver, kidneys, and bone marrow.

frequently displace natural chemicals necessary to perform regular body functions. Basic research carried out in the mid-1970s led three research groups, two of which were supported by NIDA, to discover certain compounds in the brain that are natural opiate substances. Called endorphins, these naturally occurring chemicals act like opiates to control pain and regulate endocrine functions, appetite, and many other behaviors. The receptor sites where the endorphins act are located in the same areas of the brain as the sites where the opiates act. Thus, heroin addicts function poorly them to behave and respond to stress coherently are displaced for long periods of time by the drugs that produce a "high".

In addition to such investigations at the cellular and molecular levels, drug abuse research also focuses on the health effects of specific drugs that produce dependency. Research has revealed, for example, that women who use cocaine or marijuana during pregnancy are more likely to deliver babies with lower birth weights than mothers who are not drug users. The resultant babies are also more likely to have congenital abnormalities, learning disabilities, or psychomotor problems that resemble those seen in infants of alcoholic mothers. Drug abuse has also been implicated in automobile accidents. One study on 400 male drivers killed in vehicle accidents in California found that four out of five were under the influence of alcohol, marijuana, or other drugs.

Cocaine has been shown to have disastrous effects on both mind and body. The availability of "crack", a cheaper form of cocaine that does not require dangerous volatile chemicals for its manufacture, has increased the already high use of this drug.

The sudden rise in the addict population has spawned a crime wave that has turned America's inner cities into concrete jungles. Addicts are forced to steal in order to maintain their habits, and they now account for more than 75 percent of America's urban crime. After opinion polls began to show Nixon declared a "war on drugs" in a June 1971 statement to Congress. However, despite politically motivated claims of success in succeeding months by administration spokesmen, heroin continues to pour into the country in unprecedented quantities, and there is every indication that the number of hard-core addicts is increasing daily despite government reports to the contrary.

Until all countries of the world unite and decide to take a firm and unrelenting stand against traffickers, the war against drugs will continue to flounder. Rulers of countries involved in drug trafficking should be removed from office, either by their own constituents or a world police body established for this sole purpose, and under United Nation's supervision. It is this author's personal opinion that laws should reflect the punishment meted out by Malaysia: death to those who are apprehended with the minimum amount, or more, as set by the monitoring world body.

Licit drugs, compounds that are legally prescribed by physicians, are also sold illegally on the streets. Therefore, researchers are concerned with the abuse of sedatives and anti-anxiety agents such as tranquilizers and other medically prescribed drugs. The most commonly used sedatives and tranquilizers are the benzodiazepine compounds, which have largely replaced barbiturates. Popular tranquilizers susceptible to abuse include Valium, Equanil, Miltown, and Librium, and Doriden (a sedative). Research has shown that prolonged medication (six months or more) with sedatives and tranquilizers at standard dosages can produce physical dependence on these drugs.

Research represents one of the key components upon which demand-reduction strategies are devised, and the work at NIDA and elsewhere is providing vital new insights into the mechanisms of drug addiction and the development of prevention and treatment programs. The goal remains a society free from the abuse of drugs.

America is in the grip of devastating heroin epidemic which leaves no city or suburb untouched, and which also runs rampant through every American military installation both here and abroad. And the plague is spreading—into factories and offices, among the middle-aged, middle class workers as well as the young, into high schools, and more recently, into grammar schools. In 1965 federal narcotics officials were convinced that they had the problem under control; there were only 57,000 known addicts in the entire country, and most of these were comfortably out of sight and out of mind in black urban ghettos. But only three or four years later, heroin addiction began spreading into white communities, and by late 1969 the estimated total had almost doubled—reaching an all-time high of 560,000.

ACRONYMS USED IN THIS BOOK

BA: Burma Army
BAF: Burma Air Force
BCP: The Burma Communist Party
CAT: Civil Air Transport, a CIA owned airline (USA)
CCDAC: Central Committee for Drug Abuse Control (Burma)
CIA: Central Intelligence Agency (USA)
CND: Commission on Narcotic Drugs (UN)
DDSI: Directorate of Defense Services Intelligence (Burma)
DEA: Drug Enforcement Administration (USA)
ICDAIT: International Conference on Drug Abuse and Illicit Trafficking (UN)
IMET: International Military Education and Training (USA)
INCB: International Narcotics Control Board (UN)
INM: Bureau of International Narcotics Matters (USA)
KIA: The Kachin Independence Army; the armed force of the Kachin minority rebels (Burma)
LDPR: Laos Democratic People's Republic
NDPB: National Drug Policy Board (USA)
NIB: National Intelligence Bureau (Burma)
NIDA: National Institute on Drug Abuse (USA)
ONCB: Office of the Narcotics Control Board (Thai)
PEO: Program Evaluation Organization (USA)

PPF: People's Police Force (Burma)

RTG: Royal Thai Government

INCSR: International Narcotics Control Strategy Report (USA)

SRUB: Socialist Republic of the Union of Burma

SSA: Shan State Army (Burma)

SSPP: The Shan State Progressive Party, the northern faction of the Shan ethnic rebels, has as its military arm, the Shan State Army. Their name is similar to the former name of the TRC's armed forces

SUA: The Shan United Army is the former name of Khun Sa's private army before it joined two other rebel groups in the Shan State in 1985 (Burma)

TRA: The Tai Revolutionary Army is the former name of the TRC's armed force before it was changed to SSA about three years ago

TRC: The Tai Revolutionary Council's military wing. The Shan State Army (SSA), changed its name to Mong Tai Army (MTA) (Burma)

UNFDAC: United Nations Fund for Drug Abuse Control

WNA: The Wa National Army; the armed force of the Wa minority rebels (Burma)

METRIC CONVERSION TABLE

Centimeter	= 0.4 inches
Meter	= 3.3 feet or 39.37 inches
Kilometer (km)	= .625 miles
Hectare	= 2.5 acres
Sq. kilometer	= 0.39 Sq. miles
Liter	= 2.1 U.S. pints or 1.05 U.S. quarts
Gram	= 0.035 ounce
Kilogram	= 2.2 pounds
Metric Ton	= 1.1 U.S. Tons

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Drugs, the U.S., and Khun Sa presents a comprehensive picture of international drug trafficking and production—particularly opium and heroin—as seen from a uniquely Southeast Asian perspective. While serving as an excellent overview, dealing with both the history and politics of narcotics, this book also explores in depth the intricacies and contradictions of current U.S. government policies, deriving the information from difficult-to-access official documents. A final focus is the enigmatic but powerful figure of Khun Sa, the Shan 'Opium Warlord' who claims to control 70% of the opium to come from the infamous Golden Triangle region of Burma, Laos and Thailand. Thus, this book is equally readable and useful for the specialist drug problems or for the armchair adventurer wishing to seriously reach a clear understanding of the confusing and riveting mechanics of the trade in powdery death.

Francis W. Belanger was born in 1933 in upstate New York and is a graduate civil engineer. Having worked in many parts of the world, he has taken a great interest in many parts of cultures. Consequently, he has devoted himself increasingly to writing, utilizing his vast experience. He has written two novels as well as two university text books and is currently working on three other books. Married with three children, he has lived in Bangkok for several years.



Background

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EXTENDING THE DRUG WAR TO THE GOLDEN TRIANGLE

George Bush last week rightly focused attention on stemming the demand for illegal drugs in the United States and combating the flow of narcotics from Central and South America. These are the major sources of cocaine and marijuana.

Americans, however, also face a drug threat from Southeast Asia; heroin. A 25 percent increase in heroin-related hospital emergencies was recorded during the past three years, from 12,522 cases in 1985 to almost 15,800 in 1988.¹ Heroin seizures have skyrocketed: 370 kilograms (814 pounds) of heroin originating from Southeast Asia alone were seized in 1988, over triple the 1986 figure.²

Jungle Labs. The root of the heroin problem is Southeast Asia, now believed to exceed Southwest Asia and Mexico as the chief source of U.S.-consumed heroin. Southeast Asian heroin is made from morphine, which is produced in jungle labs from opium taken from poppy plants grown in the notorious (even legendary) "Golden Triangle" — the border region between Burma, Laos, and Thailand. Most Golden Triangle heroin comes from Burma's northeastern Shan State, then is smuggled primarily by Chinese through Thailand to New York, San Francisco, and Los Angeles. Some also is smuggled through China and India. In Laos, heroin is produced in jungle labs along the Burmese border, then shipped through Vietnam and

¹ National Narcotics Intelligence Consumers Committee, 1988 Report, p. 68.
² *Ibid.* p. 86.

Thailand. The U.S. has accused the Laotian government of direct complicity in drug trafficking to earn foreign currency.

Golden Triangle heroin production has increased significantly in recent years, according to the U.S. Drug Enforcement Administration (DEA). In 1988, Southeast Asia produced an estimated 1,833 tons of poppy, up from 1,200 tons the previous year. This year, the amount is expected to jump to as much as 2,400 tons. This is due to favorable weather conditions, the cessation of anti-narcotics efforts late last year by the Burmese government, and the cancellation of U.S. drug interdiction programs in Burma.

Little Leverage. Past American efforts to interdict the flow of heroin from the Golden Triangle were only partially successful. The U.S. provided intelligence, training, and communications support for Thai Border Patrol Police operations in the early 1980s against jungle heroin labs along the northwestern Thai border. These efforts, however, often were stymied by the ability of drug warlords to move their bases into neighboring Burma and Laos. In addition, U.S. assistance to Burmese herbicide-spraying operations was widely criticized as ineffective in stemming opium production. This spraying program was cancelled by the U.S. in late 1988 to protest Rangoon's political crackdown in August of that year. Moreover, strained relations between the U.S. and Burma and Laos have left the DEA with little leverage to force Rangoon and Vientiane to counter the narcotics trade more vigorously.

While a heroin strategy demands an interdiction effort extending across the entire smuggling pipeline, the U.S. should direct new programs against narcotics production and trafficking at the source of the problem, Southeast Asia's Golden Triangle. Specifically, the Bush Administration should:

- ◆ ◆ Urge Japan and the Soviet Union to use their economic and political leverage with Laos to force tougher measures against narcotics trafficking.
- ◆ ◆ Urge China to expand its interdiction efforts against narcotics originating from Burma.
- ◆ ◆ Encourage Laos to work with the U.S. private sector in developing job alternatives that will decrease peasant reliance on opium cultivation.
- ◆ ◆ Provide communications and technical assistance to Thai anti-narcotics forces.
- ◆ ◆ Urge Thailand to increase anti-narcotics cooperation with Burma.
- ◆ ◆ Expand the number of U.S. customs training seminars conducted in Southeast Asia and encourage increased participation by Laos and Burma.

The Socialist Republic of the Union of Burma, renamed this June as the Union of Myanmar, is amilitary dictatorship. From 1962 until 1988, a military-led government under strongman Ne Win promoted socialist economic policies while keeping Burma isolated from the rest of the world. In July 1988, Ne Win resigned as chairman of the ruling Burma Socialist Program Party, but still is believed to wield behind-the-scenes control in Rangoon.

Since its independence in 1948, the Burmese government, dominated by ethnic Burmese, has faced rebellions by non-Burmese minorities such as the Kachins, Karens, Shans, and Wa. Dozens of insurgent groups continue to block Rangoon's attempts to rule the outlying provinces.

Cash Crop. Until 1988, Burma's narcotics trade was dominated by the Burmese Communist Party (BCP) and the Mong Tai Revolutionary Army (MTRA), led by the infamous drug warlord Khun Sa. This April, however, the BCP disintegrated, leaving Khun Sa in control of most of the Golden Triangle's heroin.

To fuel his heroin operation, Khun Sa buys poppy cultivated by peasants in Burma's northeastern Shan States. For the Shan minorities in Burma, poppy has been the only cash crop for the past decade. Poppy has several advantages: it can be easily collected; it is relatively small in size and easy to transport; it can be kept for long periods; and it can be used as a medicine. No other cash crop offers all these benefits to the peasant farmer in Burma.

The poppy grown by Shan farmers is refined in jungle labs on the Burma-Thai border. Many of these straddle the border and can be moved, thus enabling the drug lords to retreat across international boundaries when either the Burmese or Thai exert pressure. After being processed, the heroin mainly is smuggled through Thailand. Other routes bring the finished product through China and India.

Spraying Poppy Patches. To stem the heroin flow from Burma, Washington last year provided Rangoon \$8 million for drug suppression. Key to this effort was crop eradication using the herbicide 2,4-D. Last year, Burma sprayed 30,888 acres with 2,4-D; its effect was limited. For one thing, Burma's climate and mountainous terrain dispersed the herbicide. For another, because poppy patches are small and hard to identify, aircraft invariably sprayed people, vegetable fields, and animals outside the targeted areas, causing sickness and destroying legitimate cash crops. Lastly, Shan farmers were easily able to plant more poppy to maintain their output.

In addition to the herbicide eradication program, the Burmese government also launched military operations in areas dominated by drug lords. Example: in early 1988 the Burmese army launched what it called Operation Rolling Thunder XII against heroin refineries along the Thai border. Three refineries were destroyed and large quantities of processing chemicals were seized.

Free Rein for Drug Dealers. Following Rangoon's bloody suppression of pro-democracy demonstrations in August 1988, Burma's anti-narcotics efforts were set back. That September, for example, the U.S. protested Burma's crackdown by cutting off all assistance programs; Rangoon retaliated by terminating herbicide spraying. Burma also moved most of its troops from the countryside to the capital, giving drug dealers a free rein along the border. Recent reports even indicate that opium caravans have been passing through Burma with the acquiescence of the military. While political calm has returned to Rangoon, most observers doubt that the Burmese authorities will resume any significant anti-narcotics program in the near future.

Burma's reduced pressure on drug traffickers, combined with this year's good weather conditions, an increased use of fertilizers, and better planting techniques, are expected to boost Burma's opium production 25 percent this year over last year. This would amount to at least 1,600 tons of opium, over half of the world's harvest.

LAOS

The Kingdom of Laos officially became the Lao People's Democratic Republic in December 1975 following a communist takeover that May. The government is dominated by ethnic Laotians, who constitute slightly less than half of the population. Among several important minorities are the fiercely independent Hmong, who long have been persecuted for resisting central government rule.

Among the world's dozen poorest nations, Laos in recent years has sought foreign aid and trade. Vientiane also is believed to have turned to narcotics trafficking to raise hard currency. Coordinating much of Laos's drug flow is the Mountainous Area Development Corporation (MADC), a shadowy government agency closely linked to the military, which oversees activities in provinces dominated by hill tribe minorities. The MADC has been linked by the U.S. government to heroin and marijuana production and smuggling through Vietnam to the West.

Half-Hearted Cooperation. The U.S. government became aware of official Laotian involvement in the drug trade during the mid-1980s. However, the U.S. consistently "certified" Laotian progress in combating the production of opium lest it jeopardize Vientiane's cooperation in resolving the fate of U.S. servicemen missing from the war in Southeast Asia. If a country is "decertified" by the U.S., it may face a cut-off of U.S. security and economic assistance. In the case of Laos, which receives no U.S. assistance, the threat of decertification was symbolic.

While Vientiane retained its certification from the Reagan Administration, Laos continued to produce narcotics smuggled into the U.S. In January 1988, for example, the DEA seized 35 kilograms (77 pounds) of Laotian-refined heroin in New York City. Two months later, over 56 kilograms (123.2 pounds) of Laotian heroin was discovered in San Diego. A sweep by the Laotian

military in June 1988 allegedly destroyed two refineries, but most observers considered the Laotian effort half-hearted and heroin activity reportedly returned to normal after just two months.

Reluctant Efforts. In a departure from the Reagan Administration, the Bush Administration decertified Laos this March. For the first time, Washington officially accused a foreign government of active involvement in drug trafficking. While Laotian officials initially criticized the U.S. decision, they reluctantly have begun making an effort to curtail illegal drug smuggling. For example, Laos this year agreed to consider bilateral projects with the U.S., including economic development plans for hill tribes, that could decrease peasant dependency on opium cultivation. And this summer, Laos for the first time sent participants to U.S. seminars in Southeast Asia on drug abuse education and a U.S. customs training program.

Despite this progress, Laos has undertaken no known opium or marijuana eradication or interdiction effort this year. Moreover, no reform of the MADC has been announced. As a result, opium production, which has risen steadily since 1984, is likely to increase even more in 1989. This increase could be further assisted by favorable weather conditions, and a recent shift of traffickers to Laos from Thailand and Burma.

THAILAND

The Kingdom of Thailand, one of America's closest allies in Asia, long has strived to eradicate narcotics smuggling in its sector of the Golden Triangle. Bangkok has used several approaches in its anti-narcotics campaign, including military clearing operations, United Nations development programs, and crop substitution projects sponsored by the Thai monarchy. These efforts have decreased poppy cultivation and heroin processing in Thailand. For example, Thai opium production is expected to have covered 1,940 acres during this spring's harvest, half the total of three years ago. Of the heroin refineries that still exist on Thai territory, ten were captured by Thai military forces in 1988; six more were destroyed during the first half of this year.³

Cracking Down. Although poppy fields and heroin refineries largely have moved across the Thai border into Burma and Laos, Thailand remains a major link in the Golden Triangle: most of the business operations involved in smuggling are located on Thai territory, and the vast majority of heroin produced in Burma passes through Thailand to the West. To stem narcotics trafficking, Thai drug arrests are up from 42,500 in 1987 to over 46,000 last

year. In addition, the amount of confiscated heroin nearly doubled from 1.3 tons in 1987 to 2.4 tons in 1988.⁴ This included a world record 1,100 kilogram (2.4 tons) haul destined for New York that was discovered in February 1988 inside sixty-two bales of rubber.⁵ The Thai parliament also is reviewing a proposed law that will allow authorities to confiscate the personal property of convicted drug dealers; the law is expected to pass next year.⁶

Investigating the Police. The U.S. long has taken a direct interest in Thailand's anti-narcotics efforts. The DEA has been active in Thailand, collecting intelligence and providing support to Thai customs, police, and army units involved in drug interdiction operations. After U.S. prompting this July, the Thai police launched an internal investigation of suspected corruption within its ranks. As a result, Assistant Police Inspector General Wet Phetborom was charged with heroin smuggling. Deputy Police Chief Wasit Detkunchon is scheduled to visit the U.S. next month to discuss the possible extradition of Phetborom⁷ to stand trial in the U.S. for his involvement in heroin smuggling.

Although Thailand has made progress in stemming the drug flow through its territory, the U.S. still has reasons for concern. For one thing, since the 1988 upheaval in Rangoon, Thai-Burmese interdiction cooperation along the border has been downgraded to an occasional exchange of intelligence.⁸ For another, recent Thai efforts to promote timber trade with Burma have resulted in the construction of a network of border roads that could facilitate narcotics smuggling from the Golden Triangle.

CRAFTING NEW ANTI-NARCOTICS POLICIES

As Southeast Asian heroin arrives in U.S. cities in record amounts, the U.S. needs an invigorated policy to stop it. This policy can learn from past lessons. For example, Burma's lack of success in aerial spraying proved that this method has only marginal value in eradicating opium plants. In addition, U.S. and Thai customs interdiction alone cannot be an answer because drug smugglers have proved too adept at finding new ways of disguising narcotics shipments. Moreover, Thailand's creation of a market infrastructure for alternative products shows that hill tribe minorities can be weaned away from poppy cultivation if given a chance.

⁴ "Heroin Trafficking in Southeast Asia, Southwest Asia and the Middle East," Select Committee on Narcotics Abuse and Control, U.S. House of Representatives, August 1, 1989, p. 2.

⁵ NNICC, 1988 Report, p. 84.

⁶ *Asiaweek*, July 28, 1989, p. 31.

⁷ FBIS-East Asia, August 7, 1989, p. 60.

⁸ *Asiaweek*, July 28, 1989, p. 31.

To combat Southeast Asian narcotics, the U.S. should:

- ◆ ◆ Urge Japan and the Soviet Union to use their leverage with Laos to force tougher measures against narcotics trafficking.

Japan is now one of the largest noncommunist donors of development aid to Laos, giving it considerable potential leverage over Vientiane. Japan consistently has refused to link U.S. foreign policy objectives to its foreign aid programs, despite the fact that many U.S. goals also serve Japan's security interests. For example, Tokyo has rebuffed Washington's attempts to have the Japanese aid program to Manila linked to the issue of U.S. basing rights in the Philippines. However, because of the importance of the war on drugs, the U.S. should insist that Japan do what it can to use its economic leverage in combating heroin trafficking. Washington should urge Tokyo to link its Laotian aid program to reforms in the Mountainous Areas Development Corporation (MADC). Japan also can use its development aid to provide a transportation infrastructure and alternative occupational training for poppy-producing hill tribes.

The Soviet Union, too, has considerable diplomatic and economic leverage over Laos. With Moscow suffering its own drug problems, Washington should urge the Soviets to push for reforms of the MADC and a resumption of Laotian eradication operations. The U.S. should use the measure of Soviet cooperation in combating drug-trafficking in Laos as an indication of Soviet General Secretary Mikhail Gorbachev's sincerity in improving Moscow's relationship with Washington.

- ◆ ◆ Urge China to expand its interdiction efforts against narcotics originating from Burma.

For decades, Sino-Burmese ties were strained because of Beijing's assistance to the Burmese Communist Party (BCP). In addition to paramilitary support, the BCP imported from China chemicals needed to refine its opium into heroin. In recent years, however, Beijing distanced itself from the BCP and its drug trade in an effort to improve ties with Rangoon. Yet, the Chinese connection to the Golden Triangle remains. Increasingly, drug traffickers are smuggling heroin from Burma through China and into Hong Kong. Following U.S. requests in early 1988, China expressed an interest in cooperating in anti-narcotics operations. Several drug seizures that year involving Hong Kong and Chinese connections were assisted by Beijing.

Washington should press for increased coordination with Beijing on anti-narcotics efforts. This becomes especially important as China assumes control of Hong Kong in 1997. Areas of cooperation should include intelligence sharing, customs training, and possibly U.S. assistance for increased surveillance of the Sino-Burmese border. China should be reminded that such cooperation would demonstrate its desire to work with

the West, especially after its image was tarnished following the Tiananmen Square massacre.

- ◆ ◆ Encourage Laos to formulate development programs with the U.S. private sector in developing job alternatives that will decrease peasant reliance on opium cultivation.

The Hmong hill tribe minority in Laos traditionally has grown poppy as a cash crop. Due to failed socialist economic policies, which give Laos little of value to export, Vientiane has become involved in heroin smuggling to increase its foreign currency earnings. U.S. protests have led Laos to begin some measures against drug trafficking on its soil, but official involvement in narcotics smuggling still is suspected.

In recent years, Vientiane has sought increased aid and trade ties with the West to improve its economic situation. This may give the Laotian government less reason to rely on drug smuggling as a source of hard currency. Alternatives do exist. Example: gold and sapphire mining is a largely untapped industry in Laos, yet offers alternative occupations for peasant hill tribes that traditionally have grown opium. In addition, gemstone cutting and jewelry manufacturing industries can be established inside Laos. Western businessmen, including Americans, already have shown interest in developing these sectors for Vientiane, but are inhibited by Laotian red tape. Washington should urge Vientiane to permit U.S. private companies to enter the highlands and establish joint development ventures in mining and other gemstone-related industries.

- ◆ ◆ Provide communications and technical assistance to Thai anti-narcotics forces.

Thailand's army and Border Patrol Police long have fought drug traffickers on Thai soil. In 1982, a highly-publicized raid against drug lord Khun Sa cost hundreds of Thai police casualties. Since then, Thai military operations have pushed major heroin refining activity across the border into Burma and Laos.

Close coordination between the U.S. and Thailand on anti-narcotics efforts, including U.S. intelligence support and training for Thai Border Patrol Police, continues. To improve its interdiction capabilities, Bangkok has turned to Washington for additional aid. For example, the U.S. was asked this May for X-ray scanners to detect heroin passing through Thai seaports. The Thai Customs Department also has asked Washington to train its officials in advanced narcotics detection techniques. This is especially important because, as Thailand's exports have surged, so to has the amount of narcotics smuggled in its products.¹⁰ The Bush Administration is considering these requests.

¹⁰ *Bangkok Post* (International Edition), May 28, 1989, p. 3.

The Thai Border Patrol Police, which has spearheaded past military operations against drug lords along the Burmese border, has asked for the U.S. should provide it with further assistance, including long-range communications and radio intercept systems that will allow the Border Patrol Police to gather data on drug lords inside Burma and more quickly respond to heroin smugglers crossing into Thailand.

♦ ♦ Encourage Thailand to increase anti-narcotics cooperation with Burma.

During the mid-1980s, Bangkok and Rangoon increased anti-narcotics cooperation to the point of coordinating military sweeps on both sides of the border. Following the August 1988 political instability in Burma, this cooperation was severely downgraded.

While Thai-Burmese anti-narcotics cooperation is now low, Thai economic leverage over Burma has been increasing. Thai Prime Minister Chatichai Choonhavan has supported improved economic and diplomatic ties with Burma. With its floundering economy, Rangoon has encouraged these overtures. As a result, several trading agreements have been signed. In addition, Thailand has courted Burma by making the unprecedented gesture of inviting a Burmese military delegation to view the June COBRA GOLD exercises between the Thai and U.S. armed forces.

With a record poppy harvest expected in the Golden Triangle this year, it is important that Thai-Burmese cooperation extend once again into the area of anti-narcotics operations. This is especially vital because logging agreements reached between Thailand and Burma call for improvement in the road systems between both countries. These roads could increase the amount of heroin flowing out of the Golden Triangle.

Promoting Legitimate Trade. Washington should press Bangkok to use its burgeoning economic leverage with Rangoon to adopt a two-track approach toward drug suppression in the Shan States. First, Burmese and Thai forces once again should coordinate military operations against the main heroin refineries along their common border as they did in the early 1980s. Second, Thailand and Burma should begin long-term projects to wean hill tribesmen away from poppy cultivation. This can be done by using the logging road network to open the Shan States to legitimate trade activity. At the same time, a concerted Thai-Burmese oversight effort will be needed to insure that the roads are not used for drug smuggling. While Burma initially may oppose efforts to improve the living standards among Shan States minorities because of the traditional animosity between the central government and the Shans, U.S. and Thai officials should stress that a pacified, more prosperous border region will be less of a security threat to the central government in Rangoon. The U.S. also can assist this effort by encouraging Burma to allow U.S. and other foreign businessmen to develop a mining and gemstone-cutting industry in the Shan States as an alternative to poppy cultivation.

◆ ◆ Expand the number of U.S. drug training seminars conducted in Southeast Asia and encourage increased participation by Laos and Burma.

This year, U.S. narcotics education training programs and customs seminars for the first time were attended by Laotians. Such sessions have proved a useful and easy way to expand understanding of narcotics smuggling and have helped forge improved U.S.-Laotian bilateral cooperation against narcotics trafficking. The U.S. should increase the number of training seminars and specifically invite participants from Vientiane and Rangoon to attend.



Hitting the Source. To date, George Bush's war on drugs has focused on cocaine and crack. As a result, the threat from heroin smuggling has not been emphasized as heavily. With poppy cultivation in the Golden Triangle reaching record levels, the U.S. can not afford to neglect the threat of increased heroin smuggling from Southeast Asia.

Combating the increased flow of narcotics from Southeast Asia will require police action within the U.S. and interdiction efforts at key U.S. ports. More important are long-term eradication, interdiction, and development programs in the Golden Triangle that will stem the flow at its source. Much more can be done by the U.S.; and more must be done to invoke the assistance of other nations.

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